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Heads Retailers

Walter M. Murray, 37, this week became chief executive of Canada's national voice of retailing, the Canadian Retail Federation. The young Ottawan (president, Murphy-Gamble Ltd.) heads a group that indirectly binds together 30,000 members of 20 affiliate organizations coast-to-coast and includes most of our largest retail firms. (Personality Sketch p. 6.)

THE NATION'S BUSINESS

Great Things Still To Come In Oil

Less than seven years ago Canada imported over 90% of her crude petroleum needs. Today we are getting about half of it from our own fields in western Canada.

"Within two or three years", Imperial Oil's J. R. White told shareholders last week, the market for Prairie oil may be close to three times its present size. Canada, says White, is now in the "big oil country" class.

What does this mean to all of us?

There's a tremendous saving in exchange. Money we used to spend on foreign oil we can now use for other imports.

There are new industries and new jobs, not just in oil refineries and pipelines but in vast associated lines such as the new petrochemical industry. And most of these new jobs and new industries are developing in a part of Canada that was almost an industrial blank prior to the large scale discovery of oil and gas.

Oil and gas are bringing real and major diversification to Prairie Canada, are broadening an economy which for so long was almost completely dependent on one or two farm products.

The whole of Canada gains from this significant change.

* * *

He Says Taxes Can be Cut

Almost everyone agrees that government spending in Canada should be cut. But when it comes to exactly where and how much, that is a very different story. Somebody's tender toes are liable to be trampled, somebody's pet baby tossed into the ashcan.

Because he did make some specific suggestions, Ross Thatcher's speech in Parliament this week is important. The free-thinking CCF member from Saskatchewan cited a dozen items where, in his opinion, a saving of $100 millions could be made. There may be some honest doubt about the wisdom of shaving in all the places that Mr. Thatcher named, but at least he had the courage to invite serious reappraisal of the real value of some expenditures to the country.

Mr. Thatcher blamed heavy taxation for increasing unemployment and reducing trade, for blunting incentive and discouraging initiative, for lowering consumer purchasing power and for hurting investment in new plant and equipment.

Government expenditures of all kinds are continuing to mount. The federal civil service alone, Mr. Thatcher claims, has jumped almost 300% since 1939 while the population of the country has only increased by 40%. Government is bigger and more important in all our lives since 1939, but surely an increase of 300%, or even half of that, is far too high.

Regarding this ever-expanding civil service Mr. Thatcher makes another specific suggestion. He would freeze it at present limits. There would be no wholesale dismissals, but there would be no more wholesale hirings either. Vacancies would be filled not with new appointments but by reshuffling personnel and ending duplication of the services. That suggestion, again, may not be entirely feasible but at least it is a point worth careful consideration.

The vital thing to remember is that if we ever hope to bring government expansion and expenditures under control a start must be made somewhere. If we do not the only end is socialism, a goal which Mr. Thatcher's political chief may pretend to welcome, but which Mr. Thatcher and most Canadians certainly do not.

* * *

Business Meets New Challenge

Despite the worry, the gloom, the skepticism of one year ago, the Canadian economy prospered in 1953. Just how well its business segment performed is shown in a special Financial Post analysis of 326 companies on page 19.

Net profits for these companies—most of them in manufacturing—were up 3% over 1952 partly because of a slightly lower corporate income tax rate. Standout earners were construction, finance companies, and public utilities. But the gains were offset somewhat by lower earnings in textiles, metals and transportation.

What does this good record indicate?

First, business has been meeting successfully the challenge of more competition. The advice to get out and push sales has been taken to heart. Eight groups out of 15 had a lower return on capital investment showing reduced profit margins—resulting from lower prices.

Second, there's a guide for this year. Again, business has fears of the future. But the difficulties can be met, and new levels reached. There's no room in this country for any deep and lasting recession, regardless how hard some people try to talk themselves into it.

In any private enterprise economy there has to be continual change. During the past year, many Canadian firms have had to face up to the realities of sharp shifts in demand and prices. But these "rolling adjustments" have not brought the whole economy crashing down.

With nearly half of 1954 already gone, Ottawa continues to expect this year to be a good one, perhaps even a little better than last. Government economist O. J. Firestone told the Canadian Retail Federation this week that there are plenty of reasons why: Personal income, consumer spending are at a high level. Investment and government spending are likely higher than last year. There's ample credit. And exports may be "as good as last year or close to it."

In the U.S. there is confidence again. The New York stock market has been pushing through to new highs. Part of the cause is the prospect of lower taxes. But the big reason is that investors realize that tomorrow is going to be more than just another day. It is likely to be another good day. And this applies equally to Canada.

Investors' Dilemma

U.S. Market Climbs But We Stand Still

Technical Correction May Come Soon At New York But Fact Remains They Have Had a Boom Our Stocks Didn't Enjoy—Some of the Reasons

By W. L. DACK

Canadian investors this week were watching the U.S. market with two big questions in mind:

1. When will the brokers see long overdue technical correction they talk about?
2. Why hasn't the Canadian market kept pace with the U. S. in the upward climb?

At midweek, there were no positive signs of an answer to the first question. Rarely in stock market history has an advance continued for so long without anything approaching a technical correction as has been the case in the U.S. market. New York is now going into its eighth month of almost steadily advancing prices without anything more than a 4- to 5-point setback in that period. The Dow-Jones industrials jumped 19 index points in April alone. Now more than ever, market analysts are calling a 10- to 20-point setback on technical grounds alone.

The most compelling question in board rooms across Canada today is tied in with No. 2. It is this: What has knocked the buoyancy out of Canadian stocks, anchoring scores of promising issues at a time when U.S. markets have been soaring daily to new 25-year peaks?

One broker in downtown Toronto has a typewritten answer which he has been reading to his enquiring telephone customers about 20 times a day for the past four weeks.

The U. S. Advance

The fact of the matter is that the average Canadian trader would have been a good deal better off had he sold his Canadian stocks around the turn of the year and switched his funds into the U.S. market. On the average every dollar invested then in U.S. industrials would have shown him a 25% mark-up by now. He could only have done half as well in Canadian stocks.

That's been causing a good deal of analytical head-scratching, is giving rise to the first important

(Continued on page 3, col. 1)

Ontario Takes Steps To Clean Up Road Work

Phase One of an important reorganization in the Ontario Department of Highways was announced this week.

It has set up a watchdog committee of civil servants to pass on all claims for extras and settlements of contracts in three departments: Highways, Public Works, Planning & Development. The new body, the Committee on Construction and Planning, will also go into practices and problems in each department, and co-ordinate general planning.

One root of the Ontario trouble is said to be the Government's practice of accepting bids on highway work which are unrealistically low. Then as work proceeds and as contractors get into trouble comes the "adjustment." This can obviously lead to trouble because of necessary "bailing out" operations.

A second major defect in Ontario practice has been lack of adequate pre-engineering on highway projects in northern territories.

In some cases, quantity estimates on which contractors gave tenders have been little more than guesses. This situation makes wholesale revisions necessary, and invites abuses. The new committee on Construction and Planning looks partly to a solution of this problem by co-ordination of long-range planning.

The New Committee

The new Committee on Construction and Planning will represent the three departments involved. Members are:

G. N. Williams, deputy minister of public works who now becomes deputy minister of public works (architecture), a new position. He will be committee chairman.

J. D. Millar, till now deputy minister of highways, who becomes deputy minister of public

(Continued on page 3, col. 3)

Retailing's '54 Problems: Men, Markets, Sales Trend

Retail sales in '54? Good now and in the future, if the retailer knows how to plan.

Suburban shopping centres grow, but the downtown store is still dominant, to the tune of about 75%.

University degree in retailing may be a solution to the trade's vital manpower problem: the shortage of career men.

These three statements probably cover the key problems facing Canadian retail men as mid-'54 nears — market, trends, personnel.

They emerged this week at the Canadian Conference on Distribution, at the Guild Inn, Scarborough, Ont., sponsored by the Canadian Retail Federation.

Dr. O. J. Firestone, federal economic adviser, said retail trade could do better sales-wise this year than last (p. 21).

Our cities each grew around a basic core — the heart of its entertainment and shopping world — and that core is still big, bustling and dominant despite our mushrooming suburbs.

That was the report of Morgan Reid, assistant vice-president of Simpsons-Sears and one of our leading retail economists.

The suburban shopping centre and the downtown store, departmental or specialized, have plenty of room to grow side by side, Mr. Reid said.

Why can't retailers sell their own industry? The trade is seriously short of young executive timber, and the fault rests directly with the retailers, said J. William Horsey, president of Dominion Stores Ltd.

An answer: lift retailing to the professional level, by education and old-fashioned salesmanship (p. 25).

PRICES

Butter should drop 2c-3c lb. retail following decision by Federal Government to sell surplus butter stocks to the trade in solids for 55½c lb. The Government will be selling old butter at 55½c (instead of the 61c of a few weeks earlier) and buying new for the usual 58c—the support price. Add to the Government's loss: expenses for handling and storing.

Lead may weaken unless U. S. Government stockpiling proposals are detailed in the near future, predicts one official. New York and London markets both weak compared with cash prices of 13¼c lb. in Canada and 14c in U. S. Some sources expect announcement on stockpiling soon.

Veal calves down sharply in Eastern Canada. Average Toronto price for week ending April 17 for good and choice varieties $25.83 cwt. Now ranging between $21 and $24 cwt. Reason: calves apparently overpriced compared with steers.

Retail cocoa looks headed for another increase, possibly about 5c lb., following increase in bulk cocoa. Spot price in New York has risen spectacularly from 30c lb. to about 62c since last September. Short crops said reason for long uptrend.

Maple syrup expected to cost more this year because of probable below normal pack, result of unfavorable weather.

Soybeans now over $4 bu. with little prospect of substantially lower levels until the new crop at least partly relieves the tight supply situation in late September or early October.

Tea tending up, may rise 5c lb. Reason given: increased costs in the industry, shortage of good tea, heavier demand helped by high price of coffee. One factor: coffee demand may make up some of its recent losses now that retail price has steadied.

$5,000 Raise For Ottawa's Top Deputies?

OTTAWA (Staff) — Pay increases for top civil servants are expected in the near future. A few key posts will probably be raised to $20,000, perhaps more. Top pay at present is $17,500, and only two men get it: Kenneth W. Taylor, Deputy Minister of Finance, and C. F. Elderkin, Inspector-General of Banks. Most of the other deputy ministers of major departments get $15,000, and the rest $13,500.

It is the Prime Minister's personal prerogative to recommend the pay of deputy ministers. Until recently is was held down by the salary paid to Cabinet Ministers themselves, in accordance with the doctrine—most emphatically held by Mackenzie King—that the permanent deputy must get less than his minister. But now that cabinet pay has been increased from $18,000 to $27,000, it is held that there is room for an increase for deputy ministers.

Recent civil service pay raises have covered most officials up to about the $10,000 a year level, and a few over $10,000. In the general bracket $7,000-$9,000 government remuneration probably corresponds pretty well with industry pay. But in the top brackets, there is wide discrepancy. Until the ceiling is raised for the deputy ministers, the second echelon of assistant deputies is also held down.

Departmental Differences

One of the difficulties besetting the Prime Minister's decision about deputy ministers' salaries is the inevitable difference between departments and individuals. Some of the posts which stand out

(Continued on page 3, col. 6)

Banks Prepare to Expand Short-Term Money Market

OTTAWA (Staff) — Far-reaching plans for the creation of a Canadian money market are now under discussion between the chartered banks.

A meeting has already been held with the Bank of Canada, which has long advocated establishment of a money market. Now the chartered banks are polishing up a scheme which it is hoped they might all adopt.

It will involve, notably:

—The issue of "call loans" at a low rate of interest which will be genuinely callable, unlike the bank loans which now pass by that name.

—The use of this "call money" as the bank's means of adjusting its cash instead of relying always on purchase or sale of bonds to the Bank of Canada.

—The use of the bank's "call money" by jobbers to finance their inventories of short-term securities, as an alternative to the Bank of Canada's present "purchase-and-resale agreements."

The effects would be:

—To encourage the chartered banks and the security-jobbers to deal amongst themselves, in-

(Continued on page 2, col. 3)

No Plans To Call "A" Stock, Loblaw's Says

There will be no redemption of the Class A stock of Loblaw Groceterias Co. in the immediate future, President George C. Metcalf told The Financial Post this week.

A sharp rise in the market price of the Class A and Class B shares May 4 gave rise to rumors of possible redemption of the A shares. Another rumor was that a deal with George Weston Ltd. —merger was mentioned—might be in the wind.

"We know of nothing that would cause the sudden rise in the stock," President Metcalf said. "Our directors have not discussed the calling of the A stock. Cer-

(Continued on page 3, col. 5)

Changes Coming in Method Of Tariff Board Appeals?

OTTAWA (Staff) — Serious questions about the whole procedure of Tariff Board appeals have been brought to a head by the recent decision in the fruit cocktail case (The Post, Feb. 20.)

They concern in particular:

—The role of Justice Department lawyers appearing for the Crown.

—The role of "tariff agents" appearing for importers.

Until a few months ago, the Department of National Revenue defended its rulings, when they were challenged before the Tariff Board, through its own officials. Now the Deputy Minister of National Revenue is represented by Justice Department lawyers. In the most recent fruit cocktail case his representative, described as Crown counsel, was Wilber Jackett, Assistant Deputy Minister of Justice.

The importers who brought this appeal were not represented by a lawyer, but by an agent who has specialized in getting "desirable" tariff classifications for a number of importers. Gordon Hooper of Ottawa.

In this particular case, the appeal dealt with the proper classification of "fruit cocktails" or "fruit salads."

Until early 1953, these canned fruits were admitted under tariff item 106D as "fruits, prepared, in air-tight cans or other air-tight containers, not otherwise provided for." The duty was one cent a pound.

Early in 1953 the Customs Department changed the classification. It decided that fruit cocktails should be classified under item 106A, which covers "canned fruits, peaches." The duty became 2½c a lb.

Importer's Win Appeal

This year a group of importers lodged an appeal with the Tariff Board, contending that the one-cent rate ("canned fruits, N.O.P.") was the right one. They cited entries dated between February and October, 1953.

After hearings, the Tariff Board ruled unanimously that this was the right tariff classification, and they allowed the appeal.

Now if the Tariff Board ruling is not successfully appealed to the Exchequer Court, the Customs Department will have to pay out refunds to everybody who imported "fruit cocktails" at the 2½c rate. The refunds may come to almost $500,000.

An appeal to the Exchequer Court by the Department of National Revenue is probably unlikely. But one might be lodged by the domestic producers of canned fruits. In any case, no refunds will be made until after the 30 days allowed for appeal.

Refunds are highly contentious. On the importers' side it is said they represent merely a return of money illegally collected by the Government. On the other side, it is pointed out that the refund rarely gets back to the consumer who actually paid the higher rate of duty while it was being collected. Even if, in the present case, the importers make an adjustment on floor stocks still held by stores, the extra one- or one-and-a-half cents on each pound of fruit can never get back to the customer who paid it.

Uneasiness is also increased by the growing practice in Tariff Board appeals, whereby the importers' representative or agent is paid by results. In a good many cases lately, it is believed that the agent's fee has taken the form of a percentage cut on the refund.

In the fruit cocktail case, The

(Continued on page 3, col. 4)

Will Ottawa Accept Second Rail Tieup?

Union Officials Are Weighing The Angles – And Dangers – Of Repeating The 1950 National Stoppage To Get Their $60 Millions Demands

By TREVOR LLOYD

A strike threat that has become familiar to Canadians in recent years was creeping back onto the national scene this week.

Guiding its movement was a band of 100 railway union officials —representing some 145,000 nonoperating railway workers. They were in almost constant session trying to decide whether they could risk a repeat of their 1950 action when a general strike tied up the country's railway system for nine days.

Last week, the conciliation board report was released. This week, both parties studied it. The railways at midweek hadn't spoken but were preparing to stand firm, holding out for renewal of the old contract. The unions, after study, decided because there had been no majority report there was, in effect, no report.

But while union officials weren't saying anything to dispel the feeling of an impending strike, there is little likelihood of any actual strike until early summer.

At least six weeks would be needed from the time a strike vote was announced—and that has been only hinted so far—and then there would be nothing to oblige union officials to call a strike immediately.

Here are some of the factors union officials are weighing:

—Whether they would be allowed to halt the nation's trains, remembering that the Federal Government ordered an end to the nine-day affair in August, 1950 by calling a special sitting of Parliament;

—Whether the so-called fringe benefits would be enough to carry union morale in the absence of a formal wage demand;

—What, if any moral support they would get from operating personnel who get paid on a mileage basis and to whom all the talk of fringe benefits is almost foreign.

About the only alternative to announcement of a strike vote by the union would be a request for further negotiation. Labor Minister Milton Gregg has indicated he is not prepared to step into the situation now, the railways are apparently not prepared to grant any of the demands. That leaves any resumption of talks up to the unions.

Also high in union consideration is the memory of the strike threat of the operating group just before Christmas, 1952, that was called off by Federal Government intervention at the last moment.

Apparently highest on the list of union demands, which the railways say would cost some $60 millions, is the holiday pay issue. The unions asked for eight days.

The Board Report

In their reports, conciliation board members differed. Marshall M. Porter, company nominee, turned down all union demands including that for holiday pay. Mr. Justice R. L. Kellock, chairman, said he would allow three of the eight. A. J. Wickens, union nominee, allowed all but Remembrance Day which, he said, was not generally observed.

Neither Mr. Justice Kellock nor Mr. Wickens agreed with the union's demand for triple pay for those working these statutory holidays or for double pay for Sunday work.

In his report, Mr. Justice Kellock noted that while the unions were not asking increased pay, many of their demands would not shorten hours but would increase total pay. In some cases, the demands would actually increase hours of work.

In rejecting all union demands, Mr. Marshall said the state of railway business did not warrant increasing costs, that such increases would have to be paid for by the nation as a whole.

"Surely this is no time to impose on the taxpayers of Canada an added cost to give to a relatively small group the privileges that are not enjoyed in the main by the very people who, through taxes, would have to pay for them," he said.

In recommending seven paid statutory holidays, increased annual holidays while rejecting the sick leave and penalty pay for Sunday, Mr. Wickens said he was not convinced the railways were unable to meet the demands. If they were not, then the cost should be borne by the nation as a whole, he said.

Inside News

Our British Heritage

Nicholas Monsarrat uses his talented pen as "Mr. Commonwealth" to set the stage for The Post's report on Britain. For his thought-provoking theme and the report on U. K. industry at home and at the Canadian International Trade Fair, see pages UK 1 to UK 8.

At Rainbow's End

Want to get rich quick? Thousands of Canadians have got the urge and some are in an unprecedented wave of prospecting from coast to coast. How they're doing it; what it's meaning to Canada (p. 19).

Price War Parley

What will business get out of the coming price war hearings? Is Resale Price Maintenance here to stay? What's ahead in loss leader control? An advance report on Ottawa, company thinking (p. 7).

Company Profits

How do your company earnings compare? The Post gives a special analysis of the profit picture of 326 Canadian companies, breakdowns by companies and industrial groups (pages 19, 26).

Better Use for Brains?

Is Canada properly nurturing its human resources? Should we create special classes for brilliant high school students? Representative Canadians give their views (p. 12).

To Freedom The Hard Way

A Post Writer Sits In On Berlin Refugee Court Hearing

Peter Newman, of The Post editorial staff, has been visiting West Germany, Belgium and the Netherlands. In this article, written in Berlin, he describes a session in the West Berlin Refugee Court set up by the Inter-Governmental Committee for European Migration to screen refugees from behind the Iron Curtain. Main purpose of the Court is to pass on the refugee's suitability for life in either West Germany or for emigration to other parts of the free world. Many find their way from here to Canada.

By PETER NEWMAN

BERLIN (Staff) — A triumph of dirty elegance he came into the bare-walled court room slowly, with the measured walk of a man facing decision. He was one of the 300 men, women and children who daily escape from Soviet-occupied Germany to West Berlin.

This is Dietrich Mueller, a 39-year old innkeeper from Danzig. He was a Nazi and has worked for the Communists. Last month he escaped to Berlin from Potsdam, in Germany's East Zone. The three-man Refugee Court must now decide his future.

"Why did you voluntarily join the Nazi party in 1936?" the head examiner begins. He has an intense, nervous manner, his eyes watching Mueller for signs of hesitation.

"I had to join to stay in business," is the answer.

"Tell us about your war experiences."

"I served with an S. S. division in France and on the Eastern front until I was captured by the U. S. Army in 1945. After my release I went to Potsdam, where my wife's family lived. I couldn't work at an inn again, so I took the only job available: driving for the town's Russian garrison." He talks fast, wanting to be believed.

The judge sternly reminds him that thousands in his position did not choose to work for the Russians; then beckons him to continue.

"In 1948, I had a minor accident with an army major's staff car. Next evening, on my birthday, I was picked up by the police and in a two-hour trial was sentenced to 25 years hard labor for 'sabotage.' Then they took me to the Potsdam jail and told me to sign some papers. They were all in Russian, so I asked what they meant. They got mad and knocked all my teeth out," he says, unconsciously rubbing his jaw.

He describes life in the Communist penitentiary: the lack of proper food, the political lectures, and his joy at being granted permission to receive one letter a month, only to find out that his wife was divorcing him.

He tells of his night of hope last June 17, when all the prisoners slept with their clothes on, because they thought the counter-revolution had started. And finally his tale of horror ends. He remembers a Wednesday last month when for no apparent

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Stock Market Highlights

Industrials

Loblaw Groceterias, George Weston, Western Grocers shares all strong (Loblaw B jumped $5 in day, A $6 in two days). Loblaw and Weston officials say they know of no reason for sudden rise.

Imperial Oil touched year's high of $35⅞. Dividend increased first quarter earnings up 40%.

Powell River touched new high for year ($33). Outlook for better sales and earnings in '54.

Mines and Oils

Calvan Consolidated advances sharply to well over $5 a share on news light crude discovered by Canadian Gulf Oil on Calvan farmout in southeastern Saskatchewan. Income jumps $131,000 to $401,300 first quarter.

Gunnar Mines firms to $10 level as progress made on working out details leading up to financing. Conclusion of financial deal now seen possible in as little as two weeks.

Eastern Metals moves up to 85-90c level as plans made to complete first 500-ton unit of 1,500-ton mill by early 1955 for treatment of nickel ore. Second level heading on copper zone in high grade with last 20 ft. returning assays up to 15% copper over drift width. Deal made on million shares including 200,000 firm at 75c.

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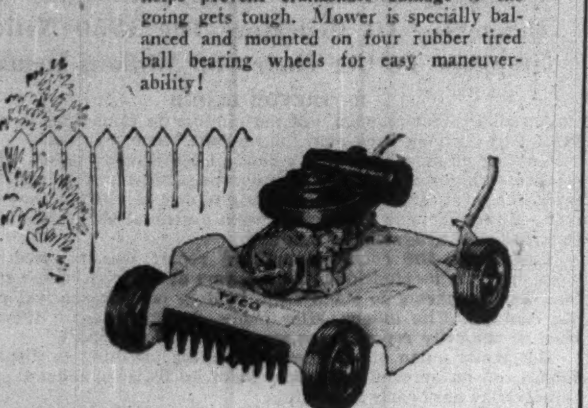

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EATON'S OF CANADA

Unemployment Crisis Ahead?

More Canadians are out of work today than at any time since 1939 — but the Government doesn't want you to talk about it. What is the true picture of this vital problem? Be sure to read Blair Fraser's revealing article: "Are We Heading for an Unemployment Crisis?" in May 15 Maclean's.

PLUS: "The Agonizing Dilemma of Eisenhower" by Bruce Hutchison . . . a profile of weatherman Percy Saltzman . . . Sidney Margolius's "How to Care for Your Car" . . . and a host of other features that regularly distinguish each issue of Canada's National Magazine.

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Short Term Money Market

(Continued from page 1)

stead of each dealing individually with the Bank of Canada.

—In this way to broaden the available market for short-term securities.

—To establish a flexible and liquid market which is considered an essential if corporations and others are to make full use of the advantages of short-term government bonds and Treasury Bills.

—To correct the cash ratios of each bank from day to day without constant resort to the Bank of Canada.

Reaching the Decision

Here is the story of how the situation has developed to the present point:

Just over a year ago the Bank of Canada rearranged its issue of Treasury Bills, so as to assure that each week bills were available to mature at any desired date within 91 days. The avowed object was to encourage corporations to use this form of investment for idle cash which they might have available for a limited period.

This, again, was part of an effort to extend public participation in the short-term market; and to get Treasury Bills and other securities approaching maturity distributed more widely outside the banking system.

Another vital move by the Bank of Canada last year was to foster a limited number of bond dealers who would act as jobbers in the market for short-term securities. As an encouragement the central bank started the purchase-and-resale agreements. They provide a means of financing inventories of short-term securities as an alternative to bank borrowing. The Bank of Canada will advance cash to a dealer on treasury bills and short-term bonds for a short period. Then the dealer takes them back, paying only a small premium to the Bank of Canada.

This arrangement helps the dealers to keep an adequate inventory of short-term bonds to offer any customers. So far about 12-15 bond dealers have set up in business in a jobbing role on the short-term market. Through them and through the banks a significant number of corporations have started to use Treasury Bills in the way the Bank of Canada hoped for a year ago.

The jobbers' need for easy and cheap financing for his inventories is one end of the present story.

How it Works With Banks

The other end of it is the banks' need for a way to adjust their cash ratios. Under the new Bank of Canada Act, a minimum cash ratio is prescribed for each individual bank and for the banking system as a whole. By the present system, each bank adjusts its own cash position by buying or selling bonds to the Bank of Canada.

Suppose that one day bank A finds itself short of cash, and bank B finds itself long on cash. Bank A will go to the Bank of Canada to replenish its position by selling bonds. Bank B — as things usually work out — will not be in the same hurry to go to the Bank of Canada and buy bonds. So bank A's need for more immediate cash actually leads — at least temporary — to an expansion in the total cash supply of the banking system.

In times like the present, when official policy is for easy credit, this doesn't matter. But it could be a disadvantage in more inflationary times when the Bank of Canada was trying to hold down the cash supply.

The better way to take care of these inevitable fluctuations in the cash ratio of individual banks, it is argued, would be for Bank A and Bank B to adjust their complementary positions without going to the Bank of Canada at all —in fact, through a money market.

Both ends of the story — the banks and the jobbers — come together in the scheme now under discussion.

The chartered banks would make use of any spare cash on hand by lending it, at a very low rate, "on call." Bond jobbers or other banks needing cash would take these cheap call loans, and they would be shopped around from day to day. Each day after the morning clearing each bank would know whether it needed to call in some loans or whether it had spare call money to lend.

Interest Rates

Trifling changes in interest rates would be enough to move this call money around. In London and New York, where the banks have for years made these genuine call loans, the interest rate is generally just below that prevailing on Treasury Bills. The London rate at present is actually about the same as the Treasury Bill rate: in New York it is fractionally lower. But this means borrowing money at somewhere around 1% or 1½% instead of the 2%-3½% which the Canadian banks charge on what they now term "call loans" — though in fact they are never called.

All this explains why the present consultations between the chartered banks are necessary. James Muir, president of the Royal Bank, has this year taken up the Bank of Canada's theme about the desirability of establishing a money market. But this is something that one bank can't do alone. A jobber or anyone else who may borrow call money must have the assurance that if his loan is called he can quickly raise the money somewhere else. So there must be plenty of alternative sources from which to get call loans from day to day.

The Bank of Canada does not propose to step out of the picture entirely if and when the chartered banks agree on their new policy. It will still be there as a sort of backstop. Jobbers will still have the assurance of the central bank's purchase - and - resale offers, though it will be kept in the background. The Bank of Canada will also keep its opportunity to buy bills from the short-term market or to sell them. So this will provide another instrument by which, at certain times, the central bank can exercise its control over the supply of cash and credit.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Acme Carbon & Ribbon Co. (Toronto)—Wm. J. Glendenning, general manager.

Alberta Consolidated Gas Utilities Ltd. (Edmonton)—L. Sanford, Reis, president and a director. He was also appointed president of Great Northern Gas Co., Sault Ste. Marie, Ont., and is president and director, Reis & Chandler Inc., New York.

Anglo-Canadian Oil Co. (Calgary)—H. G. Bagnall and C. S. Robinson, both of Calgary, and Howard Butcher III, New York, directors.

Anglo-Canadian Pulp & Paper Mills Ltd. (Montreal)—W. E. Soles, vice-president; C. H. Smith, treasurer; W. G. D. Stanley, assistant treasurer.

Bailey Selburn Oil & Gas Ltd. (Calgary) — Thomas B. Slick, of Dallas, Texas, director.

Bell Telephone Co. of Canada (Montreal)—George M. Grant, general manager, special contract department.

Canada Starch Co. (Montreal)—J. R. Annett, sales manager; George P. Graham, manager, technical sales and service; M. Elston Fee, assistant to the president; A. S. Cumming, assistant secretary-treasurer.

Canadian Admiral Sales Ltd. (Port Credit, Ont.) — Miss Renee Toupin, consultant, Montreal district of new Home Economics Department.

Canadian General Electric Co. (Toronto) — W. F. Wansborough, manager, major appliance department.

Canadian Manufacturers' Assn., Ontario Division—W. A. Osbourne, president. Babcock-Wilcox and Goldie-McCulloch Ltd., Galt, chairman; C. H. Kercher and E. O. Morgan, both of Toronto, chairman and vice-chairman, Workmen's Compensation Committee; C. B. C. Scott and G. J. E. Pettet, chairman and vice-chairman, Labor Relations Committee.

Canadian Manufacturers' Assn., Toronto Branch—Lloyd M. Archibald, president and general manager of Dart Union Co. of Canada, chairman; W. H. Evans, Minneapolis-Honeywell Regulator Co., vice-chairman.

Canadian National Railways (Montreal)—Wilbur G. Boyd, associate commission counsel.

Chrysler Corp. of Canada Ltd. (Windsor)—R. J. Downey, general purchasing agent; J. G. McKenzie, supervisor of buyers; Thomas C. McCall, director of public relations; Ralph P. Young, editor of "Chrysler World."

Crosley Radio & Television Division, Avco of Canada Ltd. (Toronto)—H. A. Johnson, Manitoba and Saskatchewan sales manager and Winnipeg branch manager.

Crown Zellerbach Canada Ltd. (Vancouver)—R. R. Edwards, vice-president-manufacturing; R. R. Ferguson, resident manager, Ocean Falls division.

Davie Shipbuilding Ltd. (Lauzon, Que.)—G. R. Muddiman, sales engineer, new general engineering division.

Department of Public Works (Ottawa)—Donald A. Freeze, director, property and building management.

Empire Club of Toronto—James H. Joyce, assistant general manager, Crown Trust Co., president; Lt.-Col. N. D. Hogg, 1st vice-president; Dr. C. C. Goldring, 2nd vice-president; Donald H. Jupp, 3rd vice-president; Ernest Miles, secretary; W. W. Comber, hon. treasurer; R. Ford Ralph, hon. secretary; Dr. Clarence B. Crummey, assistant secretary; H. T. Jamieson, hon. auditor.

Forano Ltd. (Plessisville, Que.)—D. W. Campbell, district sales manager, power transmission and materials handling equipment division. Company has new sales offices at 7000 Park Ave., Montreal.

Ford Motor Co. of Canada (Windsor)—Gordon G. Dewar, vice-president-finance and treasurer. He succeeds G. G. Kew, who will continue as vice-president and a director and direct research and planning on top-policy assignments.

General Mills (Canada) Ltd. (Toronto)—E. L. Schujahn, vice-president and general manager.

Government of Manitoba, Dept. of Agriculture (Winnipeg)—D. M. Dewan, assistant agricultural engineer, extension service, effective third week in May.

Harrison & Co. Ltd. (Toronto)—E. G. Percival, director.

Household Finance Corp. of Canada (Toronto)—C. A. Smith, manager, 1835 Portage Ave., Winnipeg; L. N. Porter, manager, Regina; N. W. McLeod, manager, Saskatoon; D. J. Riel, manager, Prince Albert, Sask.; L. B. Lockyer, manager, Moose Jaw; J. A. Duggan, manager, Bridgewater, N.S.; H. J. Semple, manager, Kenora, Ont.; D. R. Jarvis, manager, Simcoe, Ont.; D. F. Litz, manager, Port Colborne, Ont.; R. A. Cusack, manager, Welland, Ont.; R. E. Kern, manager, Niagara Falls.

Imperial Oil Ltd. (Toronto)—G. L. Macpherson, director.

International Harvester Co. of Canada Ltd. (Hamilton)—R. B. Bradley, president and director.

International Nickel Co. of Canada Ltd. (Copper Cliff, Ont.)—Henry S. Wingate, president; F. M. A. Noblet, treasurer; Ralph D. Parker, general manager, Canadian operations; Walter C. Kerrigan, assistant to the president; Herbert G. Fales, assistant to the chairman.

Jarry Hydraulics (Montreal)—Leo Vadeboncoeur, general manager; John Truran, executive sales engineer; John Fullam, design project engineer.

Joseph E. Seagram & Sons Ltd. (Waterloo, Ont.)—Phil Farley, public relations officer.

Joseph Robb & Co. (Montreal)—Wm. D. Robb, president; F. C. Wilkins, vice-president and general manager, railway and marine division; F. L. Berridge, vice-president and general manager, leather and fibre division; Morse Robb, vice-president and general manager, mechanical packing division. Messrs. Wilkins, Berridge, Morse Robb and J. C. MacDonald, secretary-treasurer, were also elected directors.

Kipp Kelly Ltd. (Winnipeg) — G. S. R. Letchford, 1st vice-president-sales; Gordon Keatch, secretary-treasurer; Peter McGregor, manager, Toronto branch office.

Kraft Foods Ltd. (Montreal)—A. H. Mathieu, P. J. Katien, T. B. Cooper and F. E. Wright, vice-presidents.

Matthews-Wells Co. (Guelph, Ont.)—Howard S. Matthews, vice-president-sales and product management; James S. Dunlop, vice-president and secretary-treasurer.

Monsanto Canada Ltd. (Montreal)—Alexander C. Roberts, secretary.

Montreal Locomotive Works Ltd.—Wm. A. Arbuckle, Maxwell W. Mackenzie, Wm. J. Niles and Colin W. Webster, directors.

Peacock Brothers Ltd. (Montreal) — W. P. Ferguson, president and general manager; F. A. Lucas, vice-president and director of sales; A. E. Patterson, secretary-treasurer; L. N. Harlock and F. H. Hunt, directors.

Philips Industries Ltd. (Leaside, Ont.)—R. M. Pritchard, assistant advertising manager.

Sun Life Assurance Co. of Canada (Montreal)—John A. Fuller, president, Shawinigan Water & Power Co. and associated companies, and R. D. Harkness, president, Northern Electric Co. Ltd., directors.

Teck-Hughes Gold Mines (Toronto)—H. C. McCloskey, president.

Traders Finance Corp. Ltd. (Toronto)—K. B. Palmer, Q.C., director.

Trans-Canada Pipe Lines Ltd. (Calgary)—James C. Saks, assistant to the president.

Trust Companies Assn. of Ontario—W. Leo Knowlton, Q.C., manager, Canada Permanent Trust Co. at Toronto, president.

United States Fidelity & Guarantee Co. (Baltimore)—Albert E. Perry, a vice-president and general manager for Canada; Alan T. Tutty, Toronto manager; Maurice A. Beaudry, manager at Montreal.

Vickers & Benson Ltd. (Montreal)—R. G. Fitzpatrick, senior account executive, Toronto office.

Walter Woods Ltd. (Winnipeg)—David Sutherland, manager at Saskatoon.

Zephyr Textiles Ltd. (Ormstown, Que.)—Walter J. Ratcliffe, sales representative in Ontario; F. Bradley Foster, sales representative in Quebec and Eastern Ontario.

Retirements

Anglo-Canadian Pulp & Paper Mills Ltd. (Montreal)—W. J. Clarke, as vice-president; G. H. Bridge, as treasurer.

Canada Starch Co. (Montreal)—E. C. McKeown, as sales manager. He remains in an advisory capacity.

International Nickel Co. of Canada Ltd. (Copper Cliff, Ont.)—Dr. Paul D. Merica, as president; Wm. J. Hutchinson, as treasurer. Both will continue as consultants.

Peacock Brothers Ltd. (Montreal)—John Bryson, as president and secretary-treasurer.

Zeller's Ltd. (Montreal) — L. S. Lustenberger, executive vice-president, W. T. Grant Co., director.

Retail Federation Elects '54 Execs

Walter Moffat Murray, 37, president of Ottawa's Murphy-Gamble Ltd., this week succeeded Mark Ely, of Toronto, as president of the Canadian Retail Federation.

Other offices filled at CRF's annual meeting this week:

Senior vice-president and chairman of executive committee: A. B. Munro, Toronto.

Vice-president and vice-chairman: Raymond Dupuis, Montreal.

Vice-presidents: W. V. Creaghan, Moncton; Mark Ely; G. A. Riley, Winnipeg; A. A. Shelley, Saskatoon.

Honorary secretary: P. K. Heywood, Toronto.

Honorary treasurer: R. R. Johnson, Montreal.

Executive committee: A. B. Munro, Raymond Dupuis, Mark Ely, W. M. Murray; Inglis Williams, Montreal; John Northway, Toronto; R. A. Murray, Toronto; E. G. Burton, Toronto; R. F. Chisholm, Toronto.

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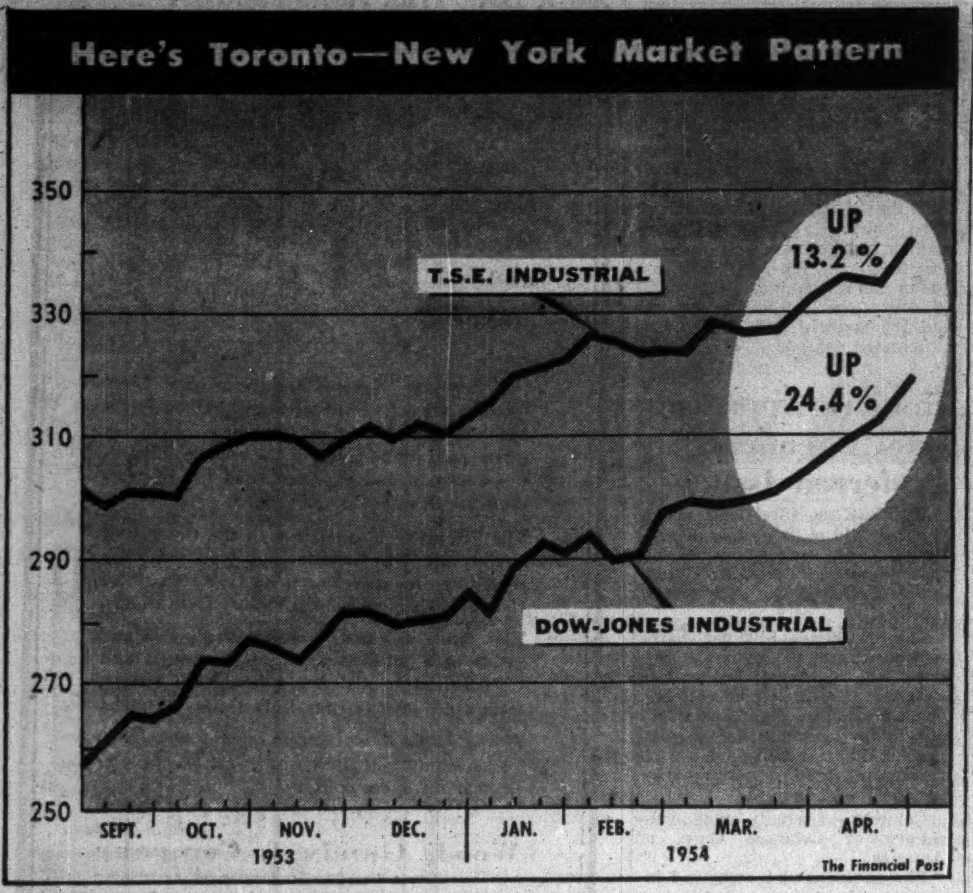

U.S. Stock Market Climbs But Canadian Stands Still

(Continued from page 1)

re-appraisal of investment opportunities south of the border in the last 15 years.

"More and more of my customers are now following the daily action of such U.S. market leaders as Chrysler, U.S. Steel, General Motors, General Electric, Standard Oil of New Jersey," a partner in a prominent Canadian investment house told The Post this week. "In the last few weeks some of them have taken their first plunge into U.S. stocks. It's only a short step for the others."

It's not that the average Canadian trader is losing confidence in the leading growth issues of his own country. It is more a growing realization of the different type of market prevailing today.

More than at any time since the end of World War II, investor accent is on security coupled with high yield. Both institutional and private traders are more willing to pay a premium for assurance of next year's dividend than promise of a pot of gold at the foot of the corporate rainbow two or three years hence.

For the time being, this attitude has taken a lot of the market glitter off Canada's many promising growth situations, speculative or otherwise, and a good part of the former flow of U.S. capital over here has dried up.

When it comes down to a case of security with good yield, the average American thinks he can do better at home. He points out that his market dollar can usually buy him more corporate reserves and earn him a better yield in the U.S. market. Right now, for instance, the 30 Dow-Jones industrials provide an attractive, average 5.27% yield despite a 25% market appreciation since mid-September. The 20 industrials making up the T.S.E. index yield only 5% despite the fact they rose only 13% in the same period.

But this is only part of the answer for the widening spread between U.S. and Canadian stock movements. There are several other important background differences in the markets:

—Canada had a market boom all its own in 1951 and early 1952 which carried certain stock groups far ahead of corresponding U.S. issues. Although the more speculative natural resources issues accounted for bulk of the action, the bullish sentiment spilled over into semi-speculative and even investment type stocks. In this boom, the T.S.E. industrials were carried up to the postwar high of 360.28, some 20 points above current levels. The much more modest rise in the U.S. market wasn't able to boost the Dow-Jones industrials beyond 270, a level some 49 points below current position.

—Removal of excess profits tax in U.S. For instance, despite an 8% dip in dollar sales volume in the first quarter, General Electric profits jumped 42%, largely as a result of tax cuts. There has been no corresponding earnings "fillip" in the Canadian picture, the last of E.P.T. having been removed in 1947 and no further tax reduction taken place since early 1953. Corporation taxes are roughly parallel now in both countries.

—Washington's continued economic prop to industry and agriculture via stockpiling plus continued heavy deficit financing makes for strong investor reassurance over the near-term at least.

—Recent signs that the worst of the business dip might be over for such industries as steel and textiles.

—When shareholders' accent is on security, purchasing of mutual and investment fund issues jumps sharply. This in turn releases huge additional funds in hands of these institutions for market investment. This—along with pension funds—represents a tremendous market force in U.S. today.

Ontario Road Cleanup

(Continued from page 1)

works (engineering), a new position.

M. A. Elson, former assistant general manager of the Carter-McNamara - Morrison - Knudsen team on the Labrador iron ore project, new deputy minister of highways.

J. J. Wingfelder, executive officer under the Minister of Planning and Development, will be committee secretary.

W. A. Clarke, promoted to chief engineer, highways department.

The next phase is due in a week or so.

About May 15 the Government is to receive the report of J. D. Woods & Gordon Ltd., Toronto management consultants, on highway department irregularities. The report will go to a legislative committee for study.

In Very Brief

UNITED DAIRIES LTD., Calgary, net profit for nine months ending Dec. 31, 1953, was $156,169 or $2.84 per common share. Net profit in previous fiscal period, year ending March 31, 1953, was $134,446 or $2.59 per common share.

MILTON BRICK CO. net profit for 1953 was $170,470 or 31c per common share, 41.6% higher than 1952 net of $120,415 (22c).

CANADA IRON FOUNDRIES LTD. consolidated net profit of $1,645,363 or $3.41 per common share, was 6% less than 1952 net of $1,751,655 ($3.63).

ACADIA TRUST CO., Truro, N.S., net profit for year ended Nov. 30, 1953, was $43,313 or $2.17 per common share, 1.8% lower than previous fiscal year's net of $44,124 ($2.21).

Look For It Here

May 8, 1954

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Changes Coming in Method Of Tariff Board Appeals?

(Continued from page 1)

Post is informed that Gordon Hooper represented the principal appellants for a straight fee—a small one if the appeal was lost, a larger one if it was won. But there are always other importers with an interest in these appeals who do not appear as appellants; and some of them pay a percentage of their refunds to have their interests represented. In this case Mr. Hooper represented three or four of them on a percentage basis. Other agents may have represented others.

The method of payment by results is not new in this case. It has been arousing uneasiness in legal and other quarters for some time. The agents who use it are not lawyers, though in some cases they are former employees of the Customs Department.

Status of Crown Lawyers

The other feature which raised questions about this case is the standing of the Justice Department lawyer appearing for the Crown. Some of the statements made during the hearing have raised a doubt whether the Crown counsel was appearing for the Deputy Minister of National Revenue, or as a friend of the court, or on what basis.

Mr. Jackett advanced a detailed legal argument about the proper classification of the fruit cocktails under appeal, in the course of which he suggested they should be classified under item 105F (as "preserves" at 3c a lb.), or under item 711 which covers goods not enumerated in the tariff. This gave some observers the impression that he was proposing something quite new instead of defending the Customs' ruling.

The impression was heightened by a much quoted extract from the later part of the hearings when Mr. Jackett said: "I did not come here to defend the Deputy Minister. I came to assist the Board is reaching the proper classification."

The Tariff Board is not composed of lawyers, though its findings are subject to appeal to the Exchequer Court. It is not necessary for appeals to be presented by lawyers, or the system of payment-by-results would not have grown up as it has. It is relatively new for the Customs Department to be represented by Justice Department lawyers. And the upshot of this last case has been to leave a good deal of confusion about the rules and procedure which should govern Tariff Board hearings.

Loblaw's "A"

(Continued from page 1)

tainly the company isn't buying it. We know of no merger plans nor of any buying of stock by company directors or anyone associated with the company. We cannot understand the terrific rise in the stocks."

The company needs all the money it has for carrying out its expansion program, it is pointed out. It just recently sold a $10 million debenture issue to help finance its expansion and to provide working capital. If the 445,056 Class A shares outstanding were redeemed at their call price of $50 a share, it would require more than $22 millions.

$5,000 Raise For Deputies?

(Continued from page 1)

as being underpaid in comparison with the business world are those in which the deputy minister necessarily has close contacts with and considerable influence on business.

Such are Finance, Trade and Commerce, National Defense, Defense Production, and governmental bodies such as the National Research Council (N.R.C. President E. W. R. Steacie is now at $15,000).

Crown companies, like Central Mortgage and Housing, Atomic Energy of Canada, Crown Arsenals and others, have already escaped from the civil service scales. All of them pay their senior people much more than any of the government departments, and most do not reveal their pay scales.

By contrast there are some of the less critical departments where present rates of pay do not seem seriously inadequate. In the increases which are expected to be made soon, it is possible that the differential between individual posts may be widened.

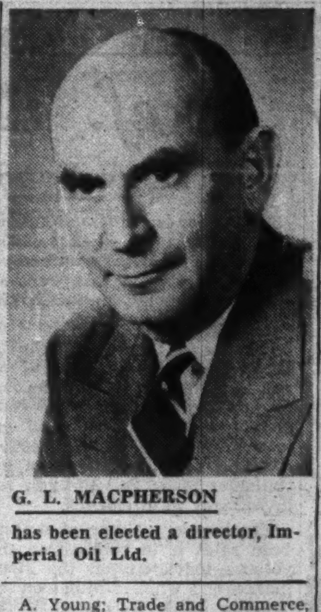
Present Salaries

Here are the present salaries of the deputy ministers and some of the other officials with similar status:

$17,500—Finance, Kenneth W. Taylor; Inspector-General of Banks, E. F. Elderkin.

$15,000—Clerk of the Privy Council; R. B. Bryce, Auditor-General, Watson Sellar; National Revenue (Customs), D. Sim; National Revenue (Taxation), C. Gavsie; Justice, F. P. Varcoe; Deputy Postmaster General, W. J. Turnbull; Fisheries, S. Bates; National Defense, D. M. Drury; Agriculture, J. G. Taggart; Public Works, H. A. Young; Trade and Commerce, W. F. Bull; Defense Production, R. M. Brophy; Superintendent of Insurance, K. R. MacGregor.

$13,500—Queen's Printer, E. Cloutier; National Health and Welfare (Welfare), G. F. Davidson; National Health and Welfare (Health), G. D. W. Cameron; Under-Secretary of State, C. Stein; Mines and Technical Surveys, M. Boyer; Citizenship and Immigration, L. Fortier; Veterans Affairs, E. L. M. Burns; Labor, A. H. Brown; Northern Affairs and National Resources, R. G. Robertson; Transport (Air Services), and Chairman, Air Transport Board, J. R. Baldwin; Transport, C. W. West; Chairman, Civil Service Commission, C. H. Bland; Associate Deputy Minister of Trade and Commerce, M. W. Sharp; Chairman, Canadian Maritime Commission, L. de la C. Audette; Assistant, Finance (Taxation Division), A. K. Eaton; Assistant, Finance (Treasury Board), J. J. Deutsch.



G. L. MACPHERSON

has been elected a director, Imperial Oil Ltd.

Freedom Via The Hard Way

(Continued from page 1)

reason, he was suddenly released. It was, he says, exactly six years from the day he was sentenced.

"What are your present political views?" the judge asks, his voice now gentle, his manner changed.

"I have none and I don't want any."

"No, no," the judge protests, "that's not a healthy attitude. The Germans have never been interested enough in politics, but have always let themselves be led too much. You must become a pupil of democracy and try to cultivate an understanding for the democratic way of life."

Mueller nods eagerly. He is asked what actually prompted his decision to escape. He explains that he lived in terror of being returned to prison and that there was nothing to keep him in East Germany. He is told to wait outside.

The three judges lean toward each other to discuss the case. They feel that despite Mueller's Nazi and Communist services, he has now suffered much hardship and that this may be the last chance to preserve his self respect. They vote to place him in Category "A." That means he'll get free air transportation out of Berlin, a work permit for West Germany, and financial support until he can rehabilitate himself. They call him back.

The atmosphere of the court room changes. The judges relax, tell Mueller their verdict.

He takes a long time to smile. He thanks the court and quickly strides out. A free man in a free world.

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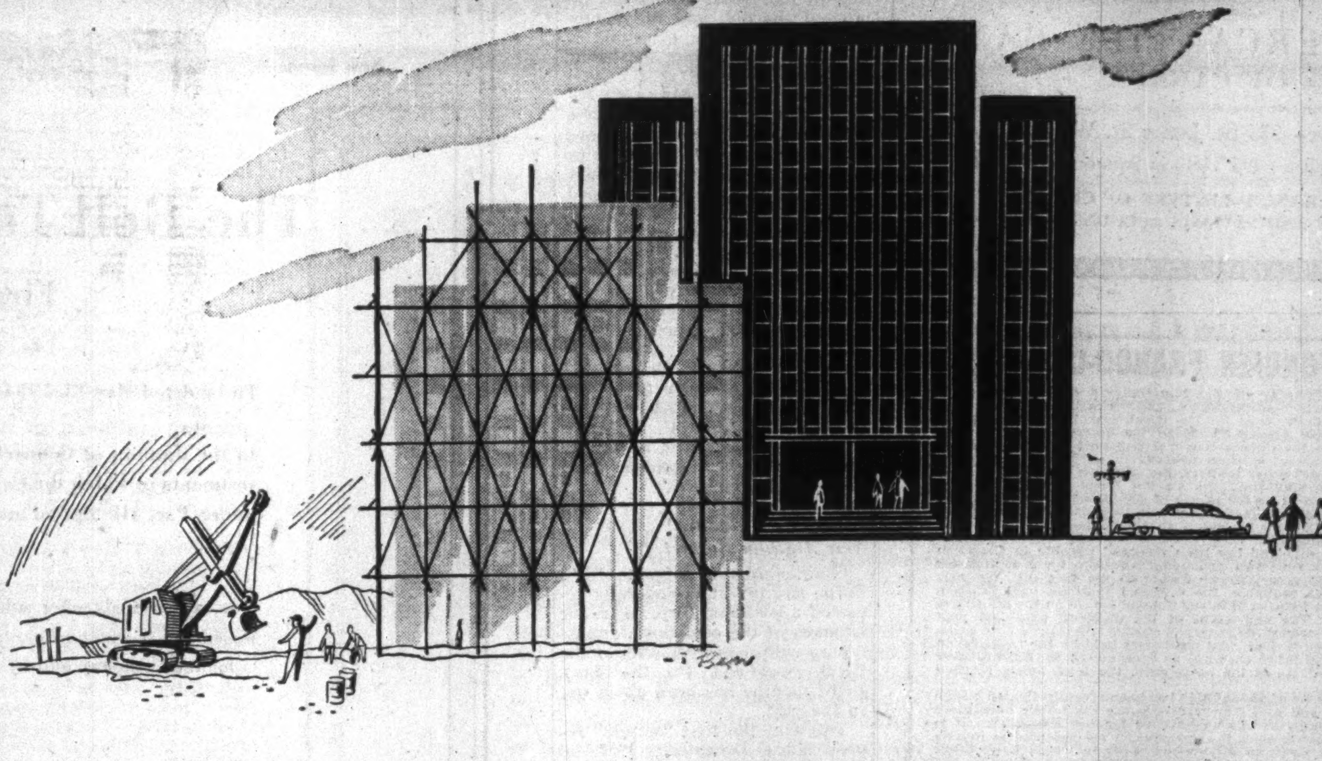

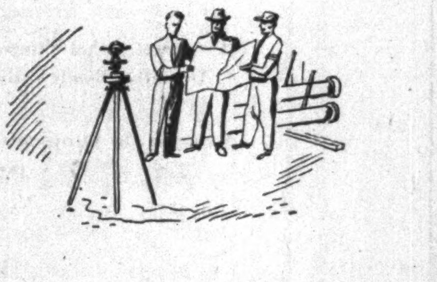

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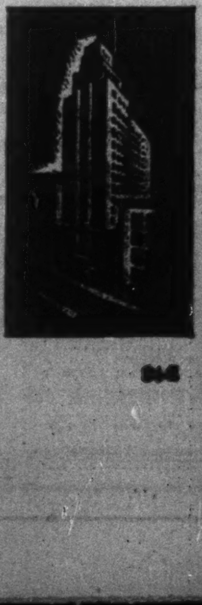

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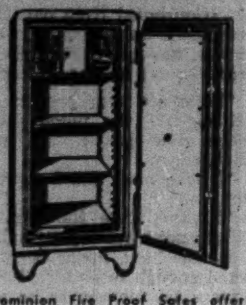

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FOREIGN EXCHANGE—LETTERS OF CREDIT—DRAFTS
CURRENT AND SAVINGS ACCOUNTS—LOANS

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CREDIT FONCIER FRANCO-CANADIEN

The General Meeting of the Shareholders of Credit Foncier Franco-Canadien was held on May 4, 1954. The Balance Sheet and the Profit and Loss Account for the fiscal year 1953 showed a net profit of $1,021,693.83 against $820,294.69 the preceding year.

The Charter of the Corporation was amended by an Act of the Legislative Assembly of Quebec assented to on February 10, 1954. By this Act, amongst other matters, the duration limit of the Corporation has been abolished. Its Capital Stock, which had been previously increased to 106,000 shares of 500 French francs by virtue of the conversion of Founders' shares into Common shares, was also divided as from January 1, 1954, into 424,000 new shares without nominal or par value.

This year the dividend has been declared payable in Canadian dollars for the first time and its amount has been fixed at $1.65 for each of the 424,000 new shares. Owing to the fact that the new shares are not yet available, the dividend shall be paid as from June 1, 1954, on the basis of $6.60 per Coupon No. 73 on the old shares still outstanding. The equivalent of the dividend paid last year represented $5.59 per share.

As at December 31, 1953, first mortgages held by the Corporation amounted to $55,097,182.12 showing an increase of $4,049,938.09 over the previous year. As at the same date, the total assets reached $62,605,693.43.

A debenture issue of $4,500,000.00 has been recently floated on the Canadian market and by its prompt response the public once more has shown its interest in this well-known lending institution. It is noted that the debentures of the Corporation are accepted as investments for trustee funds in all the provinces in which it operates, namely, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.

CREDIT FONCIER FRANCO-CANADIEN

ANNUAL REPORT FOR THE YEAR 1953

ASSETS

Office Premises			$510,519.30
Real Estate, after deduction of investment reserves			1,535,175.63
Mortgages and Agreements for Sale, after deduction of investment reserves			55,097,183.12
Unamortized Discount on Debentures			305,120.26
Demand and Short Term Deposits		$ 2,161,343.63	
Investments in Securities (Market value on December 31, 1953)		1,996,166.07	
Cash on Hand and in Banks:			
in Canada	$554,751.69		
elsewhere	158,523.75	713,275.44	4,870,785.14
Miscellaneous			286,909.98
			$62,605,693.43

LIABILITIES

Debentures:		
Debentures in Canadian dollars	$25,897,520.00	
Debentures payable in French francs, Swiss francs, Canadian dollars or English sterling: Nominal value	691,158.90	
Debentures payable in French francs, Swiss francs or Canadian dollars: Nominal value	4,523,212.35	
Reserve for Foreign Exchange, corresponding to the difference between the nominal value of the last two abovementioned categories of debentures and their value at the exchange rate for the Swiss franc prevailing on December 31, 1953	924,130.35	$32,036,021.60
Debentures Matured or Called for Redemption, Interest Due and Interest Accrued on Outstanding Debentures	$ 470,381.68	
Deferred Loans	710,189.37	
Income Tax	591,752.75	
Dividends Due	58,782.95	1,831,106.75
Miscellaneous		154,965.90
Sundry Reserves		10,093,732.19
Foreign Exchange Account		3,171,583.30
Capital Stock: French Francs 53,000,000.		10,226,527.22
Statutory Reserve		2,167,765.55
Provident Fund		1,430,000.00
Balance brought forward from previous years	472,297.09	
Net Profit for year ended December 31, 1953	1,021,693.83	1,493,990.92
		$62,605,693.43

INVESTMENT THIS WEEK By VINCENT EGAN

Pref. Rating For Mutuals

Why Major Funds Now Enjoying Record Sales Volume

Mutual funds are winning their share — and more — of the 1954 advance in stock markets. Record sales volume so far this year has been reported by several funds, both Canadian and U. S.

Reasons for the new popularity of mutual funds, according to investment dealers, include the improvement in general market conditions, the decline in bond interest rates, and the cumulative effect of purchases made on installment plans and through reinvestment of dividends.

The heavier volume of mutual fund sales is in contrast to the volume indicators on the stock market as a whole. Volume on the Toronto Stock Exchange in the first four months of 1954 totaled 213,688,000 shares, an average of only about 2,544,000 per session. Heaviest day this year — 4,975,000 shares traded Feb. 8 — was a country mile from the 10 and 12 million share sessions that took place several times in the speculative markets of early 1953.

Sales by Canadian Investment Fund, the oldest and largest mutual fund in Canada, increased sharply in the first three months of 1954. As a result of this and the rising market value of CIF investments, the fund showed a record-breaking growth of 13.2% in the three months ended March 31.

Yield Attractive

"We feel that the main reason for the sales increase is that bond interest rates have been coming down to quite a degree," a spokesman for James Richardson & Sons, agents for CIF, told The Post.

"The general public are realizing that by buying a mutual fund —particularly one of a high grade —although the yield is somewhat lower than on most common stocks, it combines a good yield with a high degree of safety. Most of the established mutual funds can be considered almost as preferred stocks."

Reports of substantial growth have come from other large Canadian mutual funds. Commonwealth International Corp., in its portfolio of March 31, showed a 9.6% increase in net assets since Dec. 31. Investors Mutual assets were up 13.5% in the first quarter.

At least two of the smaller mutual funds, however, have been slow to share in the prosperity experienced by the largest funds. Stipulating that they remain unidentified, two investment dealers, each a specialist in a different fund, told The Post that sales had not been good in the first quarter. One of these dealers added, however, that demand for his fund's shares had improved since the beginning of April.

Probably the biggest gain in sales volume in 1954 is shown by Mutual Accumulating Fund. Investors' purchases in the first four months of this year were $763,000, an increase of 120% over the comparable 1953 sales of $347,000.

Buying Pattern Changing

The buying pattern has been changing over the past year, and especially in the last six months, A. K. G. Reid of MAF told The Post. In the latest four-month period, 343 individual purchases were made, averaging $2,225 each. Size of individual orders has increased sharply, and many now qualify for volume discounts of 1% to 3%. This year, individual purchases of MAF shares have ranged from under $10 to $73,000.

Net assets per MAF share rose by 13.4% between Jan. 1 and April 30. Total net assets were up 48% in the same period, to stand at $3.5 millions at the end of April.

For the entire mutual funds industry, embracing some 153 funds in Canada and the U. S., Mr. Reid estimated total net assets to be over $5 billions at April 30, with total net sales of over $225 millions in the first four months of 1954.

"According to my calculations," he added, "Canadian funds are showing a greater percentage assets growth than U. S. funds. This is to be expected, as we are far behind the U. S. industry even on a per capita basis."

• • •

Investors Welcome New Algoma Report

Shareholders of Algoma Steel Corp., and investors generally received a pleasant surprise in the issuance of the company's annual report within four months of the fiscal year end (to the day). Eight months has been about par in the past.

This was the first "annual" report since December, 1952, at time the company reported on operations of the fiscal year ended April 30, 1952. The company changed its fiscal year end to Dec. 31, and it apparently decided that a report on the eight months ended Dec. 31, 1952, was not necessary. So the one just issued covered 20 months.

Perhaps the feature in the report worth waiting for most was consolidation of the accounts. There has been all sorts of speculation as to the exact position of the company, taking into account the subsidiaries, but this is the first time the financial statements have been presented on a consolidated basis. It is a helpful step forward.

• • •

SEC Ruling No Boon To Canadian Mutual Funds

There was no rush among Canadian mutual funds this week to take advantage of the new Securities & Exchange Commission regulations permitting them to offer securities to U. S. investors. And none appeared likely.

Canadian Investment Fund Ltd., for instance, the oldest and biggest of Canada's mutual funds, told The Post that it "is not planning to register again in the U. S." It sold below the border in prewar days.

Commonwealth International Corp., Corporate Investors Ltd., Leverage Fund of Canada Ltd., Timed Investment Fund and Balance Mutual Fund of Canada Ltd., also reported no plans for entering the U. S. field.

The new regulations, made by SEC under the U. S. Investment Company Act of 1940, provide that Canadian investment companies may register in the U. S. and publicly offer securities, but only under certain conditions. These include the points that a majority of directors and officers must be U. S. citizens, a majority of them must be U. S. residents, and nearly all securities and cash must be kept in a U. S. bank.

The only Canadian fund which has so far announced intentions of moving into the U. S. field is Resources of Canada Investment Fund Ltd., headed by J. Ernest Savard, of Montreal. In addition, a new company called Scudder Fund of Canada Ltd., has been set up by Scudder, Stevens & Clark, a U. S. investment counsel firm, to take advantage of the regulations.

Resources of Canada has already received permission of the SEC and expects to hold a directors' meeting next week on its plans. The move will involve amendments to the company's charter, and also a reshuffling of the board since all the present directors except one live in Canada. Resources of Canada feels that by being able to offer its shares in the U. S. it should be able to acquire a much larger portfolio.

The Calvin Bullock firm of New York, which supervises Canadian Investment Fund Ltd., set up Canadian Fund Inc. in the U. S. two years ago, now solidly established with assets of over $25 millions. Canadian Fund Inc. is tailored to the needs of U. S. investors wanting a stake in Canada and thus represents Calvin Bullock's solution to the problem of getting into both markets.

McColl Sales, Earnings Rise

MONTREAL (Staff) — Sales volume of McColl-Frontenac Oil Co. for the first quarter of 1954 showed a satisfactory increase over the comparable 1953 period, and this gain is expected to continue through the balance of the year, it was indicated at the annual meeting.

Estimated first quarter earnings, after all charges including taxes and preferred dividends totaled $1,683,397 or 65c per share, President T. C. Twyman reported, against $1,313,253 or 50c per share a year earlier.

Besides the Montreal East and Edmonton refinery expansion, a moderate expansion is under way at the Toronto blending plant to meet increasing demands for greases and lubricating oils, it was stated. Company expects to complete its new Toronto office building in May or June, its new Montreal building in early 1955.

On the exploration side, Mr. Twyman referred to the company's decision to take an interest in projects in the Pembina area, with Texaco Exploration Co., and also to re-establish itself in production. Additional drilling will also be carried out in the Pointe Ligoure area of Trinidad, it was stated.

While allowables in Alberta were reduced in March, 1954, these reductions seem to stem from the fact that refineries there were shutting down for their planned annual test and inspection. So far as the petroleum industry can determine, it was stated, inventories are not top heavy and appear to be in keeping with anticipated demand.

Holders Approve Can. Chemical Preferred Issue

MONTREAL (Staff)—Creation of a new $10 million issue of preferred stock was approved by shareholders of Canadian Chemical & Cellulose Co. at a special meeting.

The 100,000 new $100 par shares will be used to pay off a $10 million 3¾% note issued last year to Celatino S. A., which already owns 80% of the Canadian firm's outstanding common shares. The preferred shares will have a dividend rate of 6% non-cumulative for the first five years.

Celatino is a wholly-owned subsidiary of Celanese Corp. of America.

Shareholders also approved increasing the number of directors from eight to nine, and elected Dr. C. J. Mackenzie to the board. In addition, M. W. Mackenzie, former executive vice-president, was elected president, replacing Harold Blancke, who is now chairman.

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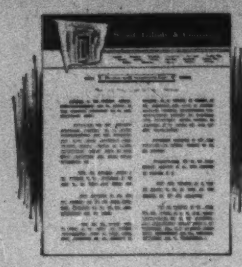
What About Canada's Exports and Imports?



Our current "Review and Securities List" features a brief survey of the Canadian international trade situation. Figures for 1953 are given, mention is made of the main commodities imported and exported, and future prospects are dealt with.

The "Review" also deals with the transfer of sterling funds to Canada, and includes a note regarding the redemption of Government of Canada Third and Fourth Victory Loan Bonds.

This issue, as usual, contains the prices and yields of a selected list of Government and Corporation bonds and Corporation shares, from which investment selections may be made.

If you would like to have a copy of our current "Review and Securities List", just telephone or write to any of our offices.

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TOTAL INVESTMENT PERFORMANCE
PER $10,000 NET ASSETS

JAN. 31ST. 1950 - $10,000
DEC. 31ST. 1950 - 12,350
DEC. 31ST. 1951 - 14,400
DEC. 31ST. 1952 - 15,150
DEC. 31ST. 1953 - 15,887
MAR. 31ST. 1954 - 17,276

ASK FOR FULL PARTICULARS

McCuaig Bros. Inc.
276 ST. JAMES ST. - - MONTREAL

Osler, Hammond & Nanton Limited
MAIN & PORTAGE AVE., WINNIPEG
1838 HAMILTON ST. - - - - REGINA
510 - 8TH AVE. W. - - - - - CALGARY
525 SEYMOUR ST. - - VANCOUVER

Pemberton Securities Limited
418 HOWE ST. - - - - - VANCOUVER
612 VIEW ST - - - - - - - - VICTORIA

The Western City Company Limited
544 HOWE ST. - - - - VANCOUVER

New Issue

$40,000,000

The Bell Telephone Company of Canada

First Mortgage 3¾% Bonds, Series K

To be dated May 15, 1954 To mature May 15, 1979

In the opinion of Counsel for the Purchasers these First Mortgage 3¾% Bonds, Series K, will be investments in which the Canadian and British Insurance Companies Act states that companies registered under Part III thereof may, without availing themselves of the provisions of sub-section (4) of Section 63 of the said Act, invest their funds.

We, as principals, offer subject to prior sale, these First Mortgage 3¾% Bonds, Series K, if, as and when issued and accepted by us, and subject to the approval of all legal details by N. A. Munnoch, Esq., Q.C., Counsel for the Company and by our Counsel, Messrs. Heward, Holden, Hutchison, Cliff, McMaster & Meighen.

Price: 100 and accrued interest

It is expected that Temporary Bonds of the Company and/or Trustee's Interim Certificates, exchangeable for Definitive Bonds of the Company when available, will be ready for delivery on or about May 27, 1954.

A copy of the Prospectus, which has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act, will be furnished upon request.

A. E. Ames & Co. Limited

Wood, Gundy & Company Limited
McLeod, Young, Weir & Company Limited
L. G. Beaubien & Co., Limited
Bell, Gouinlock & Company, Limited
W. C. Pitfield & Company, Limited
René-T. Leclerc, Incorporée
Harris & Partners Limited
MacTier & Co. Limited
R. A. Daly Co. Limited
Brawley, Cathers & Company
Fry & Company
F. J. Brennan & Company Limited
Bartlett, Cayley & Company Limited
Bankers Bond Corporation Limited
Osler, Hammond & Nanton Limited
Jennings, Petrie & Co. Limited

Dominion Securities Corpn. Limited
Nesbitt, Thomson and Company, Limited
Gairdner & Company Limited
Cochran, Murray & Co., Limited
James Richardson & Sons
Collier, Norris & Quinlan Limited
Savard & Hart Inc.
Matthews & Company
J. C. Boulet, Limitée
F. W. Kerr & Co.
Dominick Corporation of Canada
Société de Placements, Inc.
Walwyn, Fisher & Co.
Pemberton Securities Limited
G. E. Leslie & Co.
Houston, Willoughby & Company Limited

Royal Securities Corporation Limited
Greenshields & Co Inc
Mills, Spence & Co. Limited
Midland Securities Corpn. Limited
Burns Bros. & Denton Limited
Dawson, Hannaford Limited
Mead & Co. Limited
Equitable Securities of Canada Limited
Geoffrion, Robert & Gelinas, Inc.
Fraser, Dingman & Co.
Eastern Securities Company Limited
Wills, Bickle & Co.
Anderson & Company Limited
The Western City Company Limited
Isard, Robertson and Co. Limited
Stanbury & Company Limited

Aluminium Outlook Bright Demand, Supply Balance

MONTREAL (Staff) — Confidence in both the short and longer term outlook for Aluminium Ltd., despite some current uncertainties in the world aluminum demand-supply picture, was expressed by President Nathaniel V. Davis at the annual meeting.

"Broadly speaking," he reported, "there is today a reasonable balance between our production facilities on the one hand and our contractual sales commitments and estimated spot sales on the other hand."

"Taking the longer term view," he continued, "we have confidence that aluminum will find increasing uses which not only promise to sustain present and authorized production facilities but will, in addition, justify further expansion in the future."

The president's remarks were made against a backdrop of sharply expanded free world aluminum production, expected to total 2.6 million tons in 1954, up 110% from 1949's 1,240,000. Thus, noting that historically aluminum demand and production have about doubled every 10 years, he pointed out that "one is consequently led to question the ability of the market to consume the enlarged production capacity in the near term."

Supply Adequate

For several months, there has been adequate primary aluminum to meet all demands, he reported, but added that consumption has been, and may continue to be, supplemented by government stockpiling. What these stockpiling reserves are now, what they will be in future years, and how they may be handled are matters for conjecture, and thus an important but unknown factor is brought into determination of near-term demand.

These uncertainties mean, Mr. Davis warned that "we must consequently consider the possibility of an oversupply."

Turning to the longer-term picture, the president analyzed the position of aluminum against its two most important competitive materials, the non-ferrous and the ferrous metals.

Non-ferrous: Here aluminum has a strong competitive position, since for a given area or volume copper costs about five times as much, lead and zinc about twice as much. This has accounted for a sizeable part of the increase in demand and continues to offer opportunity for development of many outlets restricted today mainly on technical grounds. Aluminum is making progress in house wiring, telephone and telegraph lines, and motor and generator components.

Ferrous: Here aluminum is at a price disadvantage, with ingot selling on a volumetric basis at about twice as much as steel billets. But in some specialized fields, aluminum's price position more closely approaches prices of the competitive ferrous materials, particularly tinplate, galvanized products and enameled steel.

Thus, although only segments of the huge fields of ferrous competition are within practical range, Mr. Davis saw many opportunities to advance the use of aluminum well above current levels. But he stressed that, in acquiring part of these markets, price is all-important.

Aluminium Ltd., the president reported, has now set up an international sales development unit, aimed at raising aluminum consumption by making advice and assistance of specialists in several major fields available to present and potential customers.

R. D. HARKNESS

president, Northern Electric Co., has been elected a director, Sun Life Assurance Co. of Canada.

Major New Issues By Morgans, First Publicly For Common

MONTREAL (Staff) — Large new public financing was undertaken this week by Henry Morgan & Co., including the first public offering of common shares in the 109-year old business.

A new $4 million issue of 4¾% cumulative redeemable $100 par preferred stock was offered at par by a group of dealers headed by Greenshields & Co. An offering of 80,000 no par value common shares at $15 each was made by Greenshields & Co. and Dominick Corp of Canada.

Of the preferred issue proceeds, $2,304,224 will be used to refund $1,302,000 4¾ preferred stock and $913,600 5% preferred stock now outstanding. The balance, along with proceeds of the common share issue, will be used for "general corporate purposes."

Morgan's decided postwar to diversify its selling operations by using branch stores and suburban shopping centres. Thus, besides its main downtown Montreal store, the company now has five branches—in Toronto, Montreal and Ottawa.

This includes two stores in big new Montreal shopping centres, where provision has been made for expansion when required. One of these, opened last October, features family wear at popular prices. The other, opened last week, offers apparel and home furnishings.

Management believes its main location will enhance in value with growth of Montreal's downtown merchandising, office and hotel district. Improvements are continually being made, and more selling space can be developed when needed. Capacity of parking lots adjacent to the store, it's felt, can be doubled or tripled by building multiple-floor garage units.

Expansion Policies

Company's philosophy is to expand operations from time to time as sound opportunities arise. Present policy is to employ capital in merchandising assets without making direct real estate investments, and the main downtown property is owned by a separate company, Henry Morgan Properties Ltd.

Sales in the year ended Jan. 27, 1954, totaled $33.4 millions, against $31.3 millions the previous year. Net profit amounted $903,974 vs. $647,626, and earnings available for the new preferred dividends for the last 10 years have averaged $522,864 or 2.75 times requirements.

Annual dividend rate on the common stock is being raised to 75 cents per share from 60 cents, effective with the quarterly payment to be made Sept. 1, 1954.

Capitalization now includes $4 millions 4¾% cumulative redeemable $100 par preferred stock authorized and outstanding; and 600,000 authorized, 400,000 outstanding, no par value common shares.

Working capital at Dec. 31, 1953, totaled $7,365,601.

$40 Million Bell Issue

MONTREAL (Staff)—A new $40 million issue of Bell Telephone Co. of Canada 3¾% Series "K" first mortgage bonds was offered at par this week by a large syndicate of dealers headed by A. E. Ames & Co. Dated May 15, 1954, the issue will mature May 15, 1979.

Proceeds are to finance capital expenditures. Bell expects to spend about $100 millions this year on new construction aimed at extending, enlarging and improving its plant, equipment, buildings and system.

The new series "K" ranks pari passu with all other bonds issued by the company. The bonds are redeemable at prices ranging downward from 103.75 on or prior to May 14, 1955 at par at maturity.

Outstanding capitalization now includes $271,646,427 debt and $290,425,800 common stock (not including $8,298,386 deposited under the employees' stock plan). Earned surplus at the end of 1953 amounted to $14,388,740.

Last previous bond financing of Bell Telephone was in December, 1952, when a $40 million 4½% 15-year issue was sold at par. This was followed, in the Bell pattern, by a $60.3 million issue of common stock last fall.

Net profit of the company in 1953 totaled $26,848,740, against $23,138,350 in 1952, and unfilled applications for telephone service amounted to 52,862 at the year-end.

Bond interest was earned 10.61 times before depreciation, 7.37 times after depreciation, last year.

Hussmann Refrig. Building Addition

Hussmann Refrigeration Co. will build a 45,000 sq. ft. factory and office addition to its Holmedale St. plant at Brantford, Ont. Construction will begin immediately.

On completion, it will consolidate all production and offices at this location. The Elgin St. plant at Brantford will be put up for sale.

The addition will increase plant and office space at the Holmedale site to 132,000 sq. ft. (The plant to be abandoned contains about 50,000 sq. ft.).

Company, which is a subsidiary of Hussmann Refrigerator Co. of St. Louis, Missouri, had its best sales and profit year in 1953. Orders for commercial refrigerators increased. Aircraft fuel tank production reached high levels, with orders on hand to keep such production going till June, 1954, and prospects for more aircraft work promising, according to the company. The refrigerator contract department expects increased volume in 1954.

Cons. Paper Spending Plans, $5.5 Millions—Half In '54

MONTREAL (Staff)—Consolidated Paper Corp.'s sales and net earnings for the first quarter of 1954 compare favorably with those of last year, President G. M. Hobart reported at the annual meeting.

The company's 1954 contract commitments for newsprint were said to be in balance with estimated production. Estimates of shipments for the second half will be influenced by trend of the U. S. economy and its effect on volume of advertising and circulation, it was stated.

Prospects for kraft paper, which accounts for about 13% of sales, were for maintenance of present volume.

Appropriations for capital expenditures on property and plant exceed $5.5 millions of which plans are to spend a little more than half in 1954. Newsprint capacity was raised by 25,000 tons in 1953, and additional increases are planned for this and subsequent years. Efficiency and capacity is now at the highest level in the company's history, the president noted.

Newsprint supply and demand appear to be in close balance this year, shareholders were told.

Importance of a strong cash position was emphasized. With the rise in costs, it was stated, more cash is needed for woodland and mill operation, while the continuous process of plant modernization makes it essential that cash reserves be sufficient to meet current operating and capital expenditures and to cover future requirements.

Life Insurance Sales Increase

New life insurance purchased by Canadians in March was $243.6 millions, of which $187.2 millions was ordinary, $16.2 millions, industrial, $40.2 millions, group.

Every province in Canada showed an increase in ordinary life insurance bought during the month.

Figures for the month by provinces follow:

ORDINARY LIFE INSURANCE SALES
By Provinces

	1954	1953
	—$000—	
March:		
Alberta	14,314	11,824
British Columbia	17,927	15,723
Manitoba	9,429	7,980
New Brunswick	3,629	3,172
Newfoundland	1,322	1,011
Nova Scotia	5,511	4,951
Ontario	78,267	73,821
Prince Edward Island	411	342
Quebec	49,995	47,600
Saskatchewan	6,392	6,113
Total Ordinary	187,197	172,537
Total Industrial	16,200	17,100
Total Group	40,200	42,500
Grand Total	243,597	232,137

ORDINARY LIFE INSURANCE SALES
By Months

	1954	1953
	—$000—	
January	150,770	145,490
February	160,225	158,368
March	187,197	172,537
April	......	160,737
May	......	158,621
June	......	174,623
July	......	165,768
August	......	139,782
September	......	136,245
October	......	158,609
November	......	185,883
December	......	178,846
Total	......	1,935,507

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This advertisement appears as a matter of record only.
$30,000,000
Falconbridge Nickel Mines Limited
5¾% First Mortgage and Collateral Trust Bonds, Series A
Dated March 15, 1954 To mature August 15, 1966
Principal and interest payable in Canadian funds.
The undersigned, as agents for the Company, have negotiated the direct placement of these bonds.
A. E. Ames & Co.
Limited

These debentures having been sold, this advertisement appears as a matter of record only.
CITY OF WINDSOR
The following debentures have been sold by the undersigned.
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The Editorial Page

Very Much Wage Increases

Canada's railway brotherhoods have been making much of their contention that they are not asking wage increases in their current demands now before a labor conciliation board. They may pretend that this is so, but consumers and taxpayers, which means all of us, will certainly think differently.

Instead of straight increases of so much an hour, the union is asking extensive holiday and sick leave benefits which the railways estimate would cost no less than $60 millions a year. This would be equal to the total net operating revenue on all the railroads in 1952.

In sick leave, for example, the unions request 18 days paid per year with unused days to be allowed to accumulate. A shorter work week is another demand with more time and a half and double time for any work over eight hours or on Sundays.

These demands, explain the unions, are aimed at eliminating "some of the industrial fatigue and insecurity which weigh on workers and impair not only their welfare but also their effectiveness as employees."

That is plain, unadulterated eyewash. These are increased wage demands on an industry that is already staggering under top heavy wage costs and can only pass them on to taxpayers and consumers in high freight rates or government subsidies, or both. Welfare and fatigue have nothing to do with it. As Mr. Justice Kellock of the Supreme Court so aptly summed up: "The requests, if granted, would not result in fewer hours of work but only in increased remuneration. Some of the requests, if granted, would actually increase the hours of labor."

Let's be frank, at least. Demands totaling $60 millions a year for an industry even the size of the railroads are certainly not chicken feed. To attempt to brush them off as "fringe benefits and social welfare" is simply absurd.

Legally Right – Morally Wrong

Moral judgment plays a big role in paying taxes. A man can be legally right, but morally wrong. So claims J. Harvey Perry, director, Canadian Tax Foundation.

Mr. Perry had this to say to the Institute of Internal Auditors:

> "Certainly there is no principle which says that a taxpayer must pay more than he is required to pay by the law. And yet we all know that we are frequently required to make decisions which are neither legal nor accounting decisions but which are almost of the character of moral judgments. Sometimes we have to decide what is the right thing to do in a situation where alternative choice may mean less tax to pay."

He is not talking of evading tax or breaking the law by not declaring income and so on. What he is talking about are the countless decisions that must be made within the law but which no law can ever cover. They are cases of moral judgment. Should the auditor pass that expense account? How about that valuation of inventory? Are those claims morally right? Should some expense be charged off in one year or be amortized over several?

Perry says that Canadian business has a high moral standard — particularly towards paying taxes. Let the auditors make sure it is retained.

Time to End this Discrimination

Job preference for veterans will be dropped by the Toronto city council if a recommendation now before that body is approved. In supporting the move Controllers Balfour and Saunders argued that at this late date the practice was most unfair to young applicants for civic employment who were not old enough to be in the war.

That is certainly true and provincial and federal governments which have similar preference rules should also think of modifying or scrapping them.

Immediately after the war there was probably some justification for this discrimination. Though it was still unfair to those who had missed war service through no fault of their own. Moreover, the policy was based on the assumption that everyone who had donned a uniform had made an equal sacrifice, and had their lives disrupted to a similar degree. That of course, was by no means the case. Some military personnel never saw action, never heard a gun fired, actually came through the war better equipped with this world's goods and useful experience than if they had stayed in civilian jobs.

It is simply impossible to put a price on real personal sacrifice and personal risk. Nothing can compensate a man for time spent under fire in some waterlogged ditch, or cooped up in a stifling submarine or tank. This sort of thing cannot be measured in dollars or job preference and if we are realistic we will not even pretend to try.

Keeping Ottawa Informed

During his eight years as finance minister, says Mr. Abbott, many tax changes have been made as a direct result of submissions from organizations and individuals. "This free expression of opinion," he told a Toronto audience, "is a very important supplement to the electoral process."

In some quarters that view has been interpreted as an all-out welcome to lobbyists. But carefully prepared, factual briefs from informed sources and presented publicly, are a very different thing from the pressure tactics one normally associates with lobbying.

In this highly complicated age no government or government board can possibly expect to learn all sides of any important issue without hearing the views of those groups which are vitally concerned.

Trade, professional and other organizations are performing a normal and highly desirable function when they keep Ottawa informed of their membership's opinions and experiences.

Parliament Again the Boss

The Emergency Powers Act, which now is to be allowed to lapse, is the third and last of a series of temporary measures for endowing the executive with powers which would normally require action by Parliament. There remains now only the permanent War Measures Act, which, though dormant, could be brought into effect at any time by proclamation.

This series of annually renewed measures began in 1945 with one which was designed to look after the special needs of the period of economic readjustment resulting from the cessation of the Second World War. The War Measures Act requires the existence of a state of war or apprehended war, and was therefore unsuited to a postwar emergency. The 1945 Act could be justified by arguments which sounded good to all except the most convinced adherents of laissez-faire. A modified form of this was still in effect when the outbreak of hostilities in Korea in 1950 created a new kind of situation, in which Canada was practically at war while nominally engaged merely in a police action on behalf of the United Nations. This led to the Emergency Powers Act of 1951.

The Korea conflict is over, and since Russia has returned to the fold with its veto power in its pocket, the United Nations will not again be able to commit Canada to another police action against Communist aggression. This presumably is the reason why Ottawa feels that it can get along without these special powers, or more probably that they have become too difficult to defend in Parliament and before public opinion.

Meanwhile it is interesting to reflect that there is not a word in the B.N.A. Act about emergency powers or emergencies. The whole business is an invention of the lawyers for getting around the fact that there are times when provincial powers have to be subordinated to the national interest, whether the constitution says they can or not.

Downtown Will Survive

Shopping centres, regional, community or neighborhood, have a real place in retail merchandising but not in the foreseeable future will they replace the downtown area of any ordinary municipality. That's what Morgan Reid of Simpsons-Sears told the 12th Annual Conference of the Canadian Retail Federation this week. And Mr. Reid had some potent statistics to back up his argument.

Recent surveys show that in non-food purchasing the big bulk of buying still goes to the downtown retailer, said Mr. Reid; over 75% of women's clothing and accessories, almost 75% of men's clothing, men's wear, home furnishings, over 50% of electrical appliances and children's clothing. The reasons? Wide choice in variety, range and fashions, fast delivery, adequate credit and services. This essential business, as Mr. Reid pointed out, is another important and urgent reason for preserving and improving our important downtown areas.

Street widening, parking areas, faster public transportation and above all slum clearance of the run-down districts that surround the core of most Canadian cities are needed. These things, as Mr. Reid says, will cost a lot of money, "but they are vital to protect downtown assessment and to insure the fullest potential growth of the whole metropolitan area."

Put the Tax on the Tag

Price tags should clearly show how much tax is included, says W. E. Ireland, vice-president of B. F. Goodrich Rubber Co.

Mr. Ireland complains that Ottawa's taxes treat cars and tires in the same way as some obvious luxuries. But he goes further. He says that on consumer goods "the tax amount should be set out clearly as separate from the selling price so that the consumer will know what portion of his purchase dollar is going directly to the Government."

Retailers have never been too happy about the "plus tax" price tag system. It builds up consumer resistance. But couldn't this be escaped if the tags emphasized the final price but also said "includes sales and excise taxes of $XX"?

Obviously, the final price of any article has to cover more than just these taxes. But these taxes are the special ones which discriminate between types of goods. The public should know what it is paying them on.

A tax should be convenient. But it should not be painless. The payroll deduction system for income tax has made heavy taxes possible. It has also made them easy to pay, hence, hard to get reduced. The public hardly realizes how much flows into government coffers, how many days out of every year it works for the tax collectors.

Let's never make it too easy to pay taxes. Or we'll simply find that we have more and more of them.

A Sick Friend

The U. S. Army-McCarthy television show leaves many people in this country stunned and shocked. The best that can be uttered is a relieved sigh that it's not happening here.

Amid the turmoil, Canadians may forget the real heart of America, the principles that have carried her to greatness, the rugged individualism where every man could make his own path. Richard L. Bowditch, president of the U. S. Chamber of Commerce speaks of his own country this way:

> "This nation was conceived and rose to world leadership on the ideas of non-conformists and free-wheelers, of individuals, with bold, far-reaching minds who insisted on crossing the frontiers of the unknown. . . . They dared to disagree on many things, but our country and our culture are infinitely richer and stronger for their challenge."

The U. S. is a land that diversity has made strong. Yet today, it is stacking up so many investigations that the honesty and integrity of almost everybody who goes into public life is given a smear.

These investigations — this looking under every bushel basket and into the inner recesses of every anthill — accomplish very little and nothing that could not be achieved in less showmanlike ways. They destroy the only possible basis for efficient and honest government. They frighten away the good men, and encourage the bad.

The America that lets this reign of terror survive is a sick America. For its own good health and the health and sanity of the free world, let us hope that the patient soon recovers.

Napier Moore's

Scratch Pad

AT THE BACK of our house is a ravine. In the ravine, an ever-multiplying colony of wild rabbits has established itself. Our garden is the communal feeding centre. The rabbits have devoured almost every tender green shoot that has appeared since the snow melted. They have eaten tulips, crocuses, anemones, anchusas and hollyhock tops (carefully nurtured through the winter) and narcissi.

Saddened and frustrated by this vandalism, but undaunted, last Saturday morning we plunged into the melee of garden enthusiasts who jammed several of Toronto's seed shops. Guided by Mrs. We's list—about the size of the metropolitan telephone directory—we acquired a cargo of those envelopes bearing gorgeously colored pictures of floral development rarely equalled by Nature. And wherever we went we asked the nursery experts for advice on how to cope with rabbits. Every one of them first suggested that we get a .22 rifle. But we can't stay home all day or sit up all night. Besides, it's against the law to discharge firearms in our township. Anyhow, we aren't much of a shot.

They had other suggestions. As a result, we came home with:

(a) Several tins af alum to be sprinkled over the flower beds.

(b) Moth balls to be strewn around the ditto.

(c) Quantities of black and red pepper.

(d) A couple of hundred feet of specially treated rope which gives off a perfectly ghastly smell. Laid around flower beds, bushes and trees, it says on the label, it is guaranteed to make dogs, cats and deer flee in dismay. Deer don't bother us very much. In fact, we've never seen a deer in our garden. We asked the man about rabbits. "Rabbits," he said reassuringly, "won't come near it."

(e) An amazing contraption in the form of aluminum foil discs which are hung by wires from a line stretched between posts, and which, gyrating in the breeze and flashing in the sun, are supposed to scare the daylights out of marauding beasts, birds and fish.

All Saturday afternoon we labored. We put in posts, strung wires, hung the flying saucers. Smelling horribly, we laid our stink rope. We scattered the alum, moth balls and pepper (red and black) all over the place. Sunday morning, we went downstairs to breakfast and nearly went nuts. Frantically dancing all over the dining room walls and ceiling were circles of dazzling light reflected from the flying saucers. We looked out of the window. There, breakfasting in the middle of our most cunningly protected flower bed was—yes, you've guessed it. Do YOU know how to get rid of rabbits?

* * *

ANOTHER MATTER of concern to our household is that of buttons. The other day one of our wife's dresses, a new one, too, came back from the cleaners minus buttons. On the bill was a printed notice, "We are not responsible for buttons, belts, metal trimming or ornaments." Apart from the fact that these days nobody wants to assume responsibility for anything, we are puzzled by two things. Is a customer supposed to cut all buttons off his or her garments before sending them to the cleaners? And what becomes of all the buttons liberated by cleaners? Where do they go? Do they dissolve, or block drains?

* * *

AT A RECENT CONCERT of Les Concerts Symphoniques de Montreal, guest artist was Eugene Istomin, young American pianist. Murray Chipman reports that at the end of the first movement of the Chopin Concerto Number Two in F Minor, Istomin suddenly threw up his hands, got up and had a whispered conference with guest conductor Josef Krips, of the Buffalo Symphony Orchestra. Then Istomin announced to the audience, "I regret to say that the pedals have fallen off the piano."

Artist and conductor left the stage. Entered a henchman with a flashlight and screwdriver. He got under the piano, found it uncomfortable with his coat on, got up, took his coat off, then got back underneath and repaired the piano. The pedals hadn't fallen off, but the pedal assembly had become detached. The concert then resumed and Istomin played admirably. There was an awful aftermath. A wag suggested that some rival piano agent must have given the concert instrument an anti-Istomin pill.

* * *

REPORTING ON our own adventures in melody, we went to hear Fred Waring, his orchestra and glee club, to which organization we listened for years over the radio. We had a thoroughly good time, Waring being not only a first-class musician but a very amusing fellow. Massey Hall was only half filled. When Waring appeared, he looked around and said, "For a long time we have all been looking forward to coming to Toronto. Now, we are here. Where are you?" We had a chat with Fred after the show and found him an exceedingly pleasant, friendly and modest man who, via many ramifications, had built up a huge business, retaining the loyalty and affection of what is a happy professional family.

Stop Me If

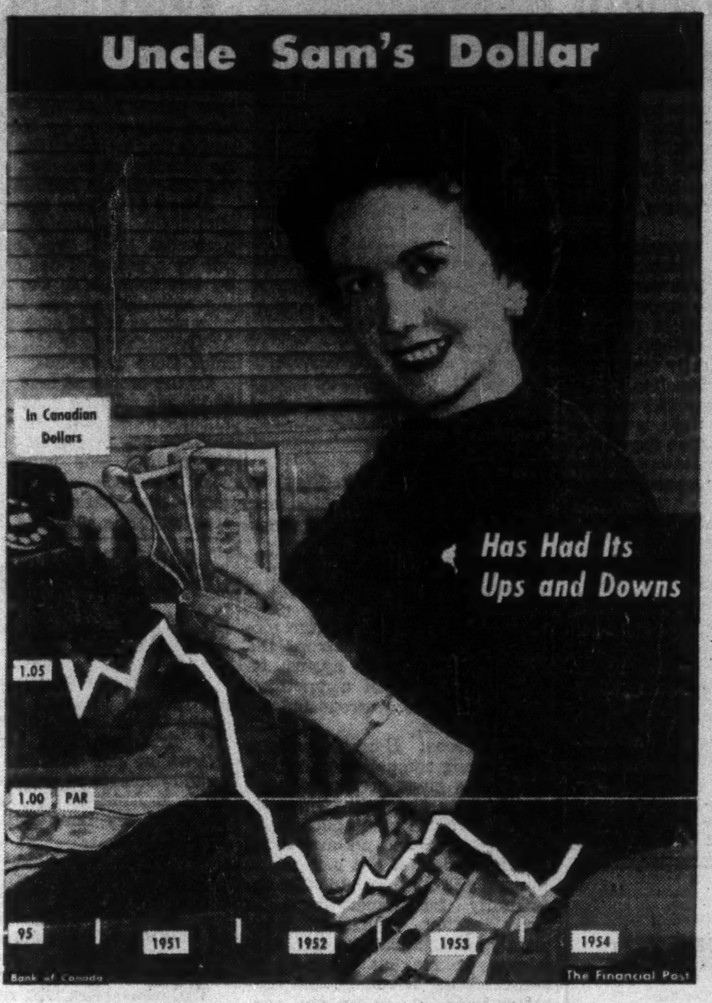
A young mother was bathing her baby and a neighbor's little girl watched the proceedings. The child was holding a doll minus an arm and a leg.

"How long have you had your baby?" asked the little visitor.

"Three months," replied the mother.

And the little girl said:

"My but you've kept her nice."



Post Scripts

Promoting the Commonwealth

"Our aim has always been to promote Canada's future within the British Commonwealth of free nations. We select outstanding men from different fields as luncheon meeting speakers, with a strong emphasis on persons from Commonwealth countries."

So speaks the new president of Toronto's 2,050-member Empire Club.

Sandy-haired, 40 years old, James Herbert Joyce is assistant general manager and treasurer of Crown Trust which he joined in December 1952. When he was born in Cranbrook, B.C., his father had a lumber mill. A few years later disaster struck. Joyce, Sr., had just completed a costly expansion at Crows Nest Pass. Before it was ever put into operation a forest fire burned it. The Joyces became farmers near Calgary.

MR. JOYCE

Jim and his brother attended public and high schools in Calgary and both graduated from University of Toronto. Upon graduation in 1934, Jim joined Confederation Life's investment department.

He was appointed investment editor of The Financial Post in 1944 and became nationally known for his comment on and analysis of corporate affairs. He had a thorough-going understanding of finance and standards of business conduct which won him respect everywhere.

Joyce takes frequent trips west and south and keeps himself in the spirit of the Prairies all winter when he curls at the Granite Club, of which he is a director. In the summer he becomes an enthusiastic Great Lakes sailor at the Royal Canadian Yacht Club. An active member of St. Paul's Anglican Church, he is a bachelor and lives in the Moore Park section of Toronto.

* * *

Fourth Generation Retailer

Within the last 18 months Walter Moffat Murray of Ottawa has made headlines twice in Canadian retailing. In 1952 he was elected president of Murphy-Gamble Ltd., well-known department store of the capital city. Now he has just been elected president of the Canadian Retail Federation, which represents retailers large and small from coast to coast.

Although at 37 he is one of the youngest department store executives in Canada, Walter Murray has had plenty of experience in this highly competitive field. He likes to point out that he really started at nine by demonstrating toys during the Christmas holidays at "Murphy's," as his Sparks Street store is often called. Later he delivered parcels. Retailing is literally in his blood for he is the fourth generation of the Murray family in store business.

The importance of service he learned early. One of his vivid memories is getting out a big two-ton stake truck to take a spool of thread to a customer in the outskirts of the city. Another belief is that every successful store has a "character" and that it is unwise to step out of it.

Although he also learned the business the practical way, Walter Murray is in the new tradition of merchants for he went to school to learn the theory of his job as well. He is a graduate in Commerce of McGill and took advanced studies on retailing at New York University. He values this training but acknowledges that there is no substitute for practical experience in the store, working in as many departments as possible.

Murray is not perturbed by the trend to suburban development and its possible effect on retailing. The heart of a city will continue to be its downtown area, he feels, and it is going to be difficult for suburban stores to duplicate the wide range of goods which only a department store can afford to stock. Of course he readily admits something is going to have to be done about traffic, and he is sitting on a committee recently set up in Ottawa to study that very subject. Murray doesn't favor for his own store the trend toward staying open at nights. He believes this lowers prestige and makes it harder to attract the best type of employee.

Walter Murray takes an active part in the community life of Ottawa. A past president of the Advertising and Sales Club, he is a director of the YMCA and of the Perley Home for Incurables, member of the National Council of the Victorian Order of Nurses, and chairman of the department store group of the Ottawa Board of Trade.

His hobby is painting — which he thinks is a fine antidote for the hectic life of a retailer — and he spends his vacation each summer with his family on picturesque Grand Manan Island off the coast of New Brunswick, bringing back home a carload of sketches. So far none of them has gone up for sale in the store as this is perhaps the one article of merchandise he does not feel qualified to price.

* * *

Football Personnel Man

Homer Payette, Dunlop Tire and Rubber Goods' industrial relations manager, is new president of the Personnel Association of Toronto. A former football star, as quarterback, he guided the Montreal Amateur Athletic Association to a Dominion junior championship.

Born in Montreal in 1909, Payette attended schools there and went to Winnipeg where he completed his formal studies at the University of Manitoba. He returned to Montreal and entered the employ of General Foods in 1930 as a time study engineer. A few years later he was personnel manager.

MR. PAYETTE

During World War II Payette was on loan from General Foods to the RCAF and assisted in the organization of equipment depots throughout Canada. In 1942 his loan was extended to the Naval Services and he was appointed special assistant to the deputy minister and organized naval stores and armament depots across Canada on a civilian basis. Later he was appointed director of civilian personnel for the Royal Canadian Navy.

Payette became Industrial Relations Manager of Dunlop Tire and Rubber in February 1945. He serves also as a member of several Ontario government conciliation and arbitration boards. He is a director of the Toronto-York Division of the Industrial Accident Prevention Association and a member of the Advisory Board for the Youth Centre of the National Employment Service. His participation in community affairs has been as a district chairman of various fund-raising drives including Red Cross and the Toronto General Hospital.

As an old footballer, Homer Payette is still a sports enthusiast and finds time to play golf frequently. Twice he has won the golf championship of Dunlop Tire and Rubber. When he played football for M.A.A.A. as quarterback and outside wing, the team won three successive Dominion Junior Championships in 1926, 1927 and 1928. Payette is credited with having completed the first forward pass in organized junior Canadian football. He also played senior football for Winnipeg Argonauts the predecessors of the Blue Bombers.

Married, Mr. Payette has two children.

What Others Are Saying

Editorial of the Week

Specialization and Isolation

Winnipeg Tribune

The case of Dr. J. Robert Oppenheimer adds up to a very strange and sad story. During his early professional days in California, except for some outside attention to literature, he was totally immersed in science. That any intelligent adult could so isolate himself from his world seems really incredible.

Yet the whole blame is not Oppenheimer's. He was one product of a time when it was not thought necessary to teach scientists anything but science, or engineers anything but building. They were trained for special performance and keen pursuit of special knowledge.

Most educators in these fields know better now. Many schools try to make the scientist a whole man.

No one could demand that the scientist make of himself also a historian, an economist and a political specialist. But it would appear fair to ask that he step away from his retorts and test tubes long enough each day to read his newspaper well.

Other People's Views

THE SCUFFLE at the Darwin airport may have grabbed the headlines in the Australian case but should not be allowed to overshadow the real significance of what happened, says the **Regina Leader-Post.** The important thing is that "two more Russian officials have deserted to the West with alleged information of Moscow espionage and perfidy."

PAY FOR NURSES IN training is not even pin money in some cases, says the **Sussex (N.B.) Kings County Record.** "If salaries or allowances comparable to those paid in other vocations under the apprenticeship system were instituted in nurse-training, the response by student nurses would undoubtedly be much more encouraging, and the outlook for adequacy in the nursing profession a great deal brighter."

SOME SENTIMENTS on Mr. Gouzenko come from the **Brantford Expositor.** "We are surfeited with his tiresome twaddle. It is long past the time when he should have learned how to behave in the land that has been so generous to him."

MIDNIGHT MOVIES should be banned in the best interests of citizens, thinks the **Kitchener-Waterloo Record.** "The midnight movie does a lot more harm than good . . . The atmosphere . . . is not good from a moral standpoint. They also create disturbances after the show is over as the throng comes out on the street. This must be a source of irritation for those who reside in the vicinity of the theatres."

WHEN EVERY LOCALITY makes up its own mind about standard or daylight time it brings a mosaic of times that will probably drive the traveling public to the verge of insanity, comments the **Fredericton Gleaner.** "Any city, town and country being interlocked in interests the way they are, it can pretty well be laid down that before September comes everyone of us will either have missed, or been an hour early for, an important appointment."

WHERE IS ALL THIS LEISURE we have been hearing so much about, asks the **Montreal Family Herald.** Not being able to pay for professional maintenance and repair "the man of the house now has to do these things for himself to avoid the expense. So, where his grandfather worked 12 to 18 hours at his job and was able to keep his standard of living up to its normal level by paying the repairmen, today's average man works eight hours a day on the job and then goes home to spend the other four to ten hours furiously mending and tinkering at the repair work and redecorating that he has no extra money to afford. Leisure and culture are again moving out of reach of time and pocketbook."

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Contributing Editor: B. K. Sandwell.
Ottawa: Michael Barkway, 205 Clemow Ave. 2-6349.
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May 8, 1954

What To Expect From Coming Price War Probe

Some 'Loss Leader' Control, RPM Likely Gone For Good

By MICHAEL BARKWAY

OTTAWA (Staff) — What is business likely to get from the price war hearings, which start in Ottawa in 10 days' time?

The best answer, as of now, is "next to nothing."

The thing that could change that, however, would be presentation of plenty of detailed evidence that the Canadian public is suffering from the present state of affairs in the retailing field.

But it would take stronger pressure, and more unanimous agreement, than now seems likely before the restoration of resale price maintenance will be on the political cards.

The three - man Restrictive Trade Practices Commission, which is to conduct the enquiry, is starting out on the basis of the McQuarrie Committee Report. It is not enquiring into resale price maintenance: it is investigating loss leaders. And the McQuarrie Committee said:

"As to the 'loss-leader' device, the Committee believes that it is a monopolistic practice which does not promote general welfare, and therefore considers that it is not compatible with the public interest . . . But . . . we are convinced that there can be found other effective and more desirable methods of controlling the 'loss-leader' than resale price maintenance."

In accordance with this view the new Commission is setting out — again in the McQuarrie Committee's words — "to determine the prevalence and the effects of the 'loss-leader' practice, and to recommend to the Minister suitable amendments, if necessary, of the Combines Act."

No RPM Reversal

While this may not rule out a recommendation in favor of resale price maintenance, it is hardly practical politics to expect one. The Government which pushed through the ban less than three years ago is not likely to admit now that it was wrong.

But a great deal depends on the amount, as well as the kind, of evidence which business puts before the new hearings. The preliminary enquiries made by Director T. D. MacDonald were notable both for the differences of view, and for the relatively small proportion of questionnaires which were answered.

The questions were detailed and must have taken some time to answer fully. But the lack of response — both to the questionnaires and to the invitations to appear before the Commission — gives a premium to those who want to leave things as they are. It gives them a chance to argue that, after all, not many people are concerned about the situation.

The evidence which the Commission wants — and which it will have to have if it is to recommend any changes in the law — is detailed and statistical. It can only be supplied by manufacturers, wholesalers and retailers. It involves precise statements of price margins and of volume of sales.

Here are some of the sort of questions to which it is hoped to get answers:

1. How can a loss-leader be defined?

Enough is known of the attitude of the Commission (and of the Government) to indicate that it will not accept a mere reduction below "suggested selling-price" as the mark of a loss-leader. The definition is more likely to involve some direct loss by the retailer — either a sale below net purchase cost or, at least, below net purchase cost plus some minimum mark-up.

In the cases already examined in the Director's report, sales below net purchase cost are rare. Here are some of the examples:

Cigarets: Prices cut by chain-store X in Winnipeg and Vancouver. The deepest cut still left a margin of 7%. This compared with average margin on all goods which were sold in the stores of 13% - 14%; but half a dozen other items are listed which were sold for mark-ups well below 7%. (Independents which matched X's cut prices were down to a margin of less than 2% above cost, because they bought through wholesalers.)

Drugs: Examination of the Montreal "drug price war" showed a good many items sold below net purchase cost. With two exceptions the loss was very small; but it was a straight loss on these items. On the other hand the large majority of the price reductions were reductions from suggested selling prices and still above the net purchase cost.

Appliances: Dealers' reports sent to the Combines Branch list 126 items in the appliance field which were sold at reduced prices. Only seven of them were sold at below actual cost, these being concentrated in the television field. More than half of the appliances sold at reduced prices yielded a mark-up of between 17½% and 32½%.

2. Do loss-leaders serve to move other goods?

The most detailed evidence available deals with cigarettes. It examines some sales results on other goods following price reductions on cigarettes. It leaves no very clear conclusion, though in every case examined it was cigarette sales which showed the greatest effect. Effect on sale of other goods, in these cases, seemed to be secondary and minor.

In this connection, it is often claimed that loss-leaders and other "specials" conceal a form of price-juggling, with higher prices being charged for other items to make up. An examination of the grocery field, covering a good sample of both chain and independent stores, gives no support to this idea. In the grocery field at least it leaves the impression that those who advertise the chief price reductions carry through with a level of prices which is slightly lower over-all.

3. Do the "big stores" do better by price reductions than the "small stores?"

There's a limited amount of evidence from several fields.

Cigarettes: Yes. The lower purchase price available to chain stores (the jobbers' price) and to some favored retailers (the direct retailers' price) leaves room for a lower retail price plus a certain margin which the smaller retailer cannot match—unless he can get the "direct retailers' price."

Drugs: Information about the Montreal price war suggests not. A big independent started most of the cuts. Then many smaller independents made deeper cuts. The chains mostly followed. In general the chains seem to have lost business during the period to independents; and the independents which did not cut prices at all ended up about as well as they began.

Appliances: Answers from a number of dealers suggest not. On a range of six items for which a decent sample is available — though the sample is still too small — independents made the deepest cuts as often as chain stores did. And an accompanying table of sales records suggests that the independents which cut prices did better than the chain-stores which did so. (This is on the comparison of Jan.-July 1953 with Jan.-July, 1952.)

4. Do manufacturers suffer when their goods are reduced in price?

Eleven out of 14 say definitely "yes." Two say "no," and one is doubtful. The two things manufacturers fear, it would seem, are:

—That the consumer gets a low view of his product if he sees it featured at cut price.

—That other dealers do not want to carry merchandise which their competitors are advertising at cut prices.

5. Are loss leaders worse than premium sales or coupon sales?

Complaints about coupons and premiums were received by the Combines Branch; but Mr. MacDonald concluded that they were different from, and extended beyond, the loss leader practice. So he excluded them from his enquiry.

One group of complaints objected to the kind of offer which makes a reduction on total purchases of a given amount. In this case, it is commented, at least the reductions do not extend beyond the sort of goods normally sold by the store in question; and there may be the same sort of justification as there is for quantity discounts by manufacturers.

But the second group of complaints deals with cases where a quite different line of goods is given away. The coupon may entitle a purchaser of groceries to a free, or cut price, hardware item; and against this it is objected that the hardware stores suffer in two ways. They cannot sell the goods which the grocers are giving away, and they have the fear that consumers may come to think that their normal prices are too high.

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More complete information on the shares listed below is contained in our May issue of "Investment Suggestions" a copy of which is available on request.

Security	Rate	Maturity	Current Price	To Yield Approx.
Government of Canada	3 %	1961/66	99.875	3.01%
Government of Canada Guaranteed				
Canadian National Railway	3¾%	1972/74	105.625	3.33%
†Province of Ontario Guaranteed				
Hydro-Electric Power Commission	3½%	1974/79	100.50	3.47%
Province of Quebec Guaranteed				
Quebec Hydro-Electric Commission	3¼%	1971/74	98.625	3.35%
Province of Manitoba Guaranteed				
Manitoba Hydro-Electric Board	3½%	1972/74	100.375	3.47%
Province of New Brunswick	3¾%	1966/70	100.625	3.68%
Aluminum Company of Canada Limited	4½%	1973	102.50	4.30%
Canadian Pacific Railway				
Company—Convertible	3½%	1966	100.25	3.47%
Dominion Foundries and Steel, Limited	4½%	1969	103.00	4.23%
Winnipeg Electric Company	4 %	1971	103.75	3.70%
			Approx. Market	
International Metal Industries Limited	$4.50	Preferred	$101.00	4.46%
Shawinigan Water and Power Company	2.25	"B" Pfd.	53.00	4.25%
United Fuel Investments Limited	3.00	"A" Pfd.	60.50	4.96%
Abitibi Power and Paper Company Ltd.	1.20	Common	22.00	5.45%
Bell Telephone Company of Canada	2.00	Common	42.625	4.69%
Building Products Limited	1.80	Common	40.25	4.47%
Canada Permanent Mortgage Corpn.	2.60 + .20	Common	67.00	4.18%
Hinde and Dauch Paper Co. of Canada Ltd.	1.40	Common	36.75	3.81%
Imperial Oil Ltd.	.90	Common	35.00	2.57%
Moore Corporation Limited	1.00 + .20 u.s.	Common	29.25	4.10%
Page-Hersey Tubes Limited	3.00	Common	64.00	4.69%
Southam Company Limited	1.60	Common	32.50	4.92%
Union Gas Company of Canada Limited	1.40	Common	39.00	3.59%

†If, as and when issued.

Continuance of extra dividend payments as shown should not be assumed.

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New IBM System Streamlines Stock Exchange Clearances

MONTREAL (Staff) — Clearing of securities at the Montreal Stock Exchange and the Canadian Stock Exchange was streamlined radically this week as an automatic system was introduced for the first time in Canada.

Up to now, the Exchange Clearing House prepared in longhand lengthy details of stock transactions between firms, instructing each member broker of the number and names of securities to be delivered to balance his account. Member firms then had to prepare clearing sheets of daily transactions.

Now this week, I.B.M. equipment is taking over to create a rapid and efficient operation. Here's how it works:

As soon as a transaction is completed on the trading floor, the sales slip is sent to the Clearing House. There a clerk goes to a Master Tub File, containing prepunched cards for each stock on both exchanges, and pulls the card corresponding to that sales slip. Card and slip are given to a key punch operator, who punches the card with various information such as transaction and settlement date, selling broker's number, rate of stock tax, number of shares, etc.

The information is verified on another machine and the card is processed through an Electric Multiplier which punches in the total amount of the transaction and the amount of Stock Sales Tax. The sales card is then reproduced into a buying card on a Reproducing Punch Machine.

From time to time through the day, all the buying and selling cards are put through an electric sorter, which sorts them in broker's number order and alphabetical order of stocks. Then they go on through a collating machine which checks their order of sequence.

At the close of the day, the cards are processed through the accounting machine, which produces in duplicate a clearing sheet for each broker showing his transactions, his stock and cash balances, and his stock tax on regular sales.

Fleet to Make U.S. 'Copter

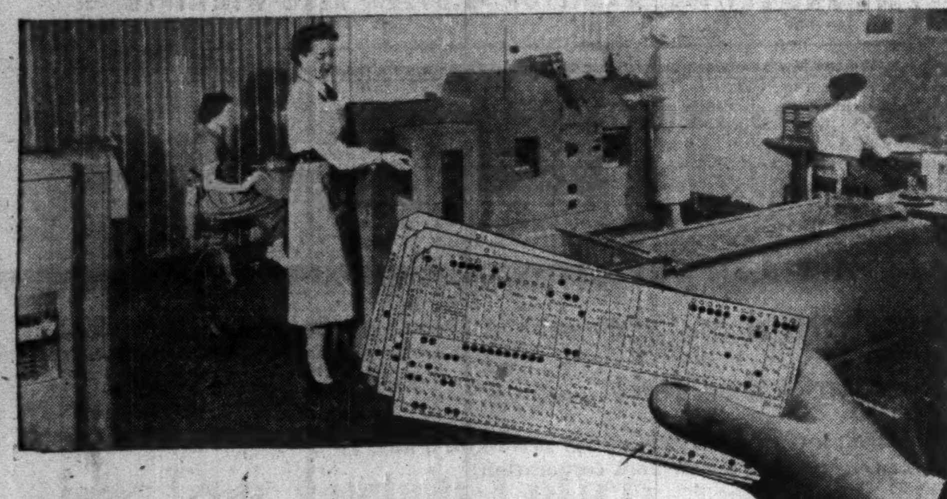
Helicopters can now be added to the list of products of Canada's bulging postwar aircraft manufacturing industry.

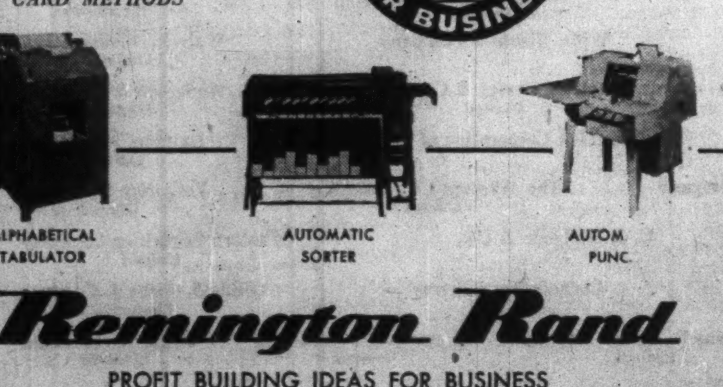
Fleet Manufacturing, Fort Erie, Ont., announces an agreement with Doman Helicopters Inc., Danbury, Conn., to form a jointly-owned Canadian subsidiary, Doman-Fleet Helicopters Ltd., to manufacture and market the Doman LZ-5 helicopter in Canada and the British Commonwealth. (The Financial Post, Oct. 31, 1953).

Herman L. Eberts, president and general manager of Fleet, said that the Doman plant in the U. S. will supply the rotor system, main tail and rotor blades along with other items, until such time as the new company is in a position to fill its own requirements. Manufacturing will be carried out at the Fleet plant at Fort Erie.

The Doman helicopter incorporates a new type of engineering design in its rotor assembly. So far it has been ordered only in small quantities by the U. S. military for testing and evaluation. It has not yet received its civilian certificate of airworthiness from either U. S. or Canadian Governments.

BRIDGE & TANK CO. OF CANADA—20,000 $2.90 sinking fund preference shares, par $50, were admitted to the list of the Montreal Stock Exchange April 30. Only those shares with share purchase warrants attached will be called for trading.





This IDEA from Remington Rand produces startling punched-card results at National Motor Bearing Company, Inc.

The problem: 12,000 items are produced in 3 plants, stocked at 7 points. About 4,000 items are active every month. Orders average 7,000 monthly. Previously, sales were often lost because the stocking point would fail to notify the home office immediately when an item inventory was low; errors crept into the inventory records through procedures which required a great deal of manual posting and mental arithmetic.

The answer: 98% success on keeping in stock the active 4,000 items. Back order problem virtually wiped out. Annual sales of $17,000,000 handled with a finished goods inventory of only $1,200,000 (and basic materials inventory even smaller). All of this accomplished through centralized inventory control with Remington Rand punched-card methods, for total cost of about 12½ clerical units.

Case history # 752 tells how this firm gained many benefits in production control, cost control, payroll, and sales analysis, as well as in inventory control. For your copy, write to Remington Rand, Tabulating Machines Division, 984 Bay Street, Toronto.

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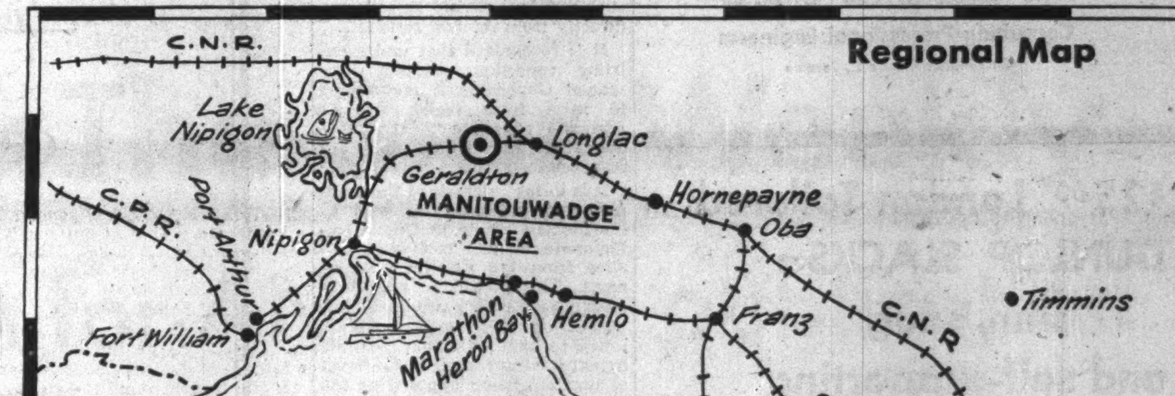

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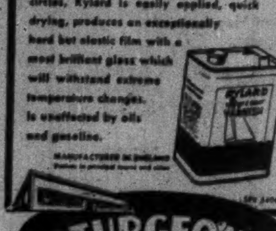

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Duplessis Tax: Here Are Two Que. Views

Quebec's Royal Commission of Inquiry on Constitutional Problems has been holding sittings to receive submissions from various interested groups within the province. In view of the attention currently focussed on Quebec's new personal income tax — and the important bearing this has on federal provincial fiscal relations — The Post presents herewith digests from two recent briefs, one submitted by the Montreal Board of Trade, the other by the Council of the Institute of Chartered Accountants of Quebec.

Victims Of Political Feuding, Blow At Our Export Trade

The business population of Montreal, to a considerable extent, is composed of head offices of companies whose operations reach not only into every region of Canada but far beyond the confines of this country. Indeed, one of the great assets of Quebec has been the tendency for large corporations to locate in its largest city and by the export of goods or services to import wealth into the province.

Some of these firms depend in differing degrees on Quebec's markets, raw materials and other assets. Others, such as banks, railroads, trust companies, insurance companies, investment houses and in fact all those selling services rather than goods, obtain no material advantage by maintaining their head offices in Quebec.

Any firm doing business beyond the province's boundaries, indeed any firm facing competition from producers outside the province, is under a substantial handicap if burdened with taxes or costs not encountered by its competitors.

Any realistic employer knows that part, if not all, of the income tax burden is inevitably reflected in costs. To the extent that Quebec companies are handicapped in competition with the companies of other provinces, the question is a provincial one, but to the extent that they are handicapped both inside and outside Canada in competition with foreign companies the problem is a national one.

In the present taxation conflict between Ottawa and Quebec, we believe that political considerations are the dominant factors and in view of this fact we feel it is unrealistic to submit specific proposals for the treatment of corporate and personal income taxes.

The problem arising from the inability of Ottawa and Quebec to find a satisfactory compromise has been made more urgent by the imposition of the Quebec income tax without any conferences between the two governments concerned for the purpose of avoiding additional discriminatory and unnecessary taxation of the taxpayers of this province.

The Board does not challenge Quebec's need for additional revenues. But after deducting from the estimated $22 millions annually produced by this tax the amount of the 5% rebate permitted under the Federal Act, Quebec taxpayers will be paying about $15 millions in additional taxes, as well as foregoing the benefit of the $40 millions available under a tax agreement. A tax handicap of this size is too great an economic burden for the province to carry indefinitely without serious repercussions.

Unnecessary Burdens

From the point of view of the businessman, some form of tax arrangement which eliminates double taxation of corporate and personal income, and provides for the centralized collection of these taxes, would have much to recommend it.

In particular, the present statutes impose entirely unnecessary burdens by requiring taxpayers in Quebec to prepare different sets of returns, to pay additional taxes due to lack of uniformity in taxation provisions, to set up machinery to make separate payroll deductions, and to carry the cost of a duplicate system of tax enforcement and collection.

It is the duty of the two governments to make arrangements immediately whereby:

(a) Quebec obtains annual revenues approximating those available to it under the tax agreement without citizens and corporations of this province paying higher income or corporation taxes than in other parts of the country.

(b) Federal and Provincial Income and Corporation Tax Acts regulations will be made as uniform as possible.

(c) Duplicate collection departments with the resultant waste and overlapping are eliminated.

The Board therefore recommends that the Quebec Royal Commission prepare immediately an interim report on the subject of income and corporation taxes and urge the Quebec Government to confer with Federal Government representatives without any further delay to find a satisfactory compromise to end this intolerable situation.

Let Ontario, Alta., B.C. Follow Que. Lead in '57 With Own Tax

In principle, the Federal Government should not raise revenues from residents of a certain province in order to distribute these same revenues to the Government of that province to pay for services for which that Provincial Government is responsible.

Where a Provincial Government is able to raise revenues to pay for provincial public services, such revenues should be collected directly from its own residents.

It is recognized that under existing conditions, certain Provincial Governments are unable to raise from their residents adequate revenues to meet the obligations for which they are responsible.

It is in the interests of the more fortunate provinces, as well as Canada as a whole, that those less fortunate should receive assistance from the Federal Government. This should be kept to a minimum by such provinces imposing on their own residents taxes to the maximum possible extent having regard to the level of taxation being imposed by the Federal Government.

It is therefore recommended that:

1. The 1952 tax rental agreements between the Federal Government and Ontario, Alberta and British Columbia not be renewed in 1957.

2. In 1957, a new arrangement be made between Ottawa and those provinces not desiring to re-enter the corporation income tax, personal income tax and succession duty fields, except to the extent stated in (3) below. This arrangement would be based on the tax rental payments received by such provinces during the last year of the present agreements and subject to annual review for increases in population and gross national product.

3. Those provinces executing new agreements with the Federal Government in 1957 should levy a provincial corporation income tax and personal income tax. Collections should be offset against amounts payable to each of those provinces under its agreement.

4. The Federal Government reduce federal levies for corporation and personal income taxes in 1957 by an amount equal to the total of:

   (a) Rental payments to Ontario, Alberta and B. C. in 1956.

   (b) Relief granted in respect to Quebec corporation and personal income taxes in 1956.

   (c) Estimated amount of corporation and personal income taxes collectable on behalf of the remaining six provinces in 1957.

5. To reduce collection and compliance costs:

   (a) Ottawa's present tax collection machinery be used, as it has at times in the past, to collect the provincial levies.

   (b) Federal and provincial acts and regulations be made as uniform as possible.

6. That the Dominion Succession Duty rates and the provision for credits for provincial duties up to 50% of the federal duty remain as now existing.

7. Taxpayers in Quebec during the years 1954-1956:

   (a) continue to deduct provincial corporation income tax at present rates from the corresponding federal levy.

   (b) be permitted to deduct the full provincial personal income tax from the corresponding federal personal levy (provided these deductions do not exceed the amount the Provincial Government would have received from Ottawa by signing a tax rental agreement).

If recommendation No. 7 is not acceptable to Ottawa, we recommend that, to end the present unsatisfactory situation of taxpayers in this province, the two governments concerned should execute a tax agreement until 1957 on a mutually acceptable basis.

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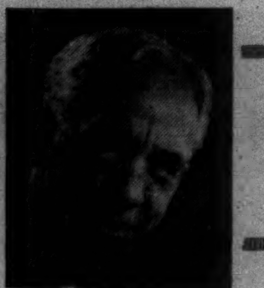

Sandwell Here

By B. K. SANDWELL

I WONDER WHETHER AN EXCESSIVE READING of space fiction may not be undermining the native shrewdness of the American character. Or could it be that any story will go down with Republicans provided only that it reflects discreditably on the late Democratic administration.

The appearance of a book whose chief interest is the story that General MacArthur was fired on the advice of a mechanical brain (operated presumably in the White House) makes one question the mental age of the persons who will spend their money to buy it.

Even a mechanical brain must have some data fed into it in order to produce intelligible advice. What question did the President, or whoever was running the show, put to the mechanical brain that resulted in the advice to fire MacArthur? Was the brain asked to answer the question with a view to the best interests of the United States? Or of world peace? Or of the Democratic party? Or of what? Because the answer would certainly vary according to which of these assumptions was fed into the slot.

When you ask a mechanical brain for the answer to a mathematical problem, you know exactly what are the data of the problem, and you feed them in. They are figures, and the answer is the result of combining them in a certain way.

I am quite prepared to believe that a mechanical brain can do the combining more rapidly and more accurately than the brain of a human being, but when you get problems for which the data are far from exact, and are largely a matter of human and fallible guesses, the person who decides what data to feed the machine is practically determining the answer beforehand, though he may not know what it is.

Presumably President Eisenhower has inherited the mechanical brain used by his predecessor, perhaps he dreams of consulting it on what to do with Senator McCarthy. He might as well try peering at the entrails of chickens as done by the ancient oracles. They will tell him at least as much.

A New Look in Company Reports

THE BELL TELEPHONE Company of Canada acquired me as a small shareholder a year or so ago, and consequently I have received their account of the proceedings of the annual meeting. Never before have I as a shareholder been addressed in quite such a we-want-you-to-understand - all - this - business manner. Never before have the transactions of the company, and not only the transactions but the reasons for them, been put before me in such simple and non-technical language.

Having been a business journalist for a good many years, I am not wholly incompetent at drawing conclusions from even the most richly wrapped up balance sheet, and there is a certain fun about smoking out the meaning of the sonorously ambiguous sentences in the average presidential report. But both my Aunt Lucy and I like being talked to in the Bell's thoroughly down-to-earth style, and I am sure that the many thousands of other Aunt Lucys among the shareholders must like it also. How refreshing, for instance, to have the consolidation of the borrowing powers described in words of two syllables, and not in the legal phraseology of the bylaw itself!

After all, the Bell people should know how to talk to people. It lives by helping them to talk to one another.

Is Anti-Fascism Now a Crime?

THE SUSPENSION OF DR. OPPENHEIMER after a decade of service in the most highly confidential position that a U. S. scientist could possibly occupy was caused chiefly, if not entirely, by the desire to head off a much more vociferous investigation by Senator McCarthy. Oppenheimer is exactly the kind of person who is practically helpless against the McCarthy tactics.

The most important of the "derogatory" matters charged against him relate to the period of the Spanish Civil War. The kind of people to whom the McCarthy campaign appeals are quite incapable of recreating in their minds the totally different world atmosphere which prevailed at the time of that war. Franco was then not only no friend of the democracies but a highly probable enemy, but he perceived that Spain could not again stand another terrible war so soon after the civil war. That was certainly one factor if not the main one in preventing that country from playing what could have been a most dangerous role on the side of the Generalissimo's friends and supporters, Hitler and Mussolini.

It is those days, back around the Spanish Civil War time, which make a "blind spot"—a time between what most people clearly remember and a time which has passed into accepted history.

Be it remembered: The Government of Spain was one of the most legitimate and democratically based in the world. The elections of February, 1936, resulted in a sweeping victory for the Popular Front party. But extremists of both right and left were carrying on much the same sort of street warfare as that which led in Germany to the rise of Hitler, and the government was unable to maintain order.

Franco's revolt would certainly have failed but for outside aid. Italy cynically ignored the non - intervention agreement. Moorish troops which at one point turned the tide for Franco were brought from Africa by German planes. Russia made a limited contribution in favor of the government. The "blind spot" periods of history can result in quite astonishing perversities later on.

At that time it was perfectly possible for honest democrats in any country to sympathize with and aid the anti-Franco side. The fact of having done so is no evidence of subversive activity or even of a subversive disposition.

The anti-Franco side was supported by some Communists, it is true, by many who supported it were neither Communists nor fellow-travellers, nor indeed anything but strong dislikers of Fascism. At that time, moreover, Russia had not yet revealed by the anti-aggression pact that she was not so consistent an enemy of Fascism as she claimed.

And even in the United States of today, with all its close relations with Spain, it is not a crime to be a disliker of Fascism.

How Iron Curtain Coffers Get New Canadians' Funds

When Red China found itself short of hard cash, it soon found a unique way to help replenish its reserve pile: expatriates living in hard currency countries were informed of the need and told bluntly to help the cause or see families and relatives still living in Red China pay the penalties.

It was — and is — a simple, cold-blooded extortion racket.

Now, Communist government agencies in European countries behind the Iron Curtain have come up with a more subtle form of collecting dollars — with the sanction and aid of Canadian Communists.

This racket is relatively simple too. The Canadian Communists are campaigning for New Canadians of Central European origin to leave Canadian dollars at Communist foreign language newspaper offices and with "front" group secretaries across Canada to pay for relatives' gift parcels—the money ostensibly to be used to buy the gifts behind the Iron Curtain rather than here.

For almost four decades, older Slavic Canadians, now joined by the postwar arrivals, have been sending food, clothing and other gifts to countries such as Poland, East Germany, Czechoslovakia, Hungary and Bulgaria.

By Government Order

In February of this year, the official export-import agency of the Polish Communist Government, PKO (General Bureau of Savings) decreed that Poles abroad must send money rather than parcels to Poland in the future. Those who continue to send parcels, other than books, periodicals, photos, medical equipment (such as hearing aids and artificial limbs) will find their relatives behind the Iron Curtain paying heavy import duties.

At the present estimated rate of exchange, the excessive Polish import duties would require a Polish citizen to pay about $15 duty on a new pair of nylon stockings.

The scheme is aimed at building up a supply of dollars partially exchanged into the currency of the Communist states to the credit of the relative overseas. The relative can buy Western consumer goods only at government stores and only the commodities those stores have in quantity, if any.

Here's why the scheme is a profitable gimmick: a "fair" exchange rate between the Canadian dollar and East European Communist currency is almost impossible to define. (Though one foreign exchange dealer in Montreal will sell 250 Roumanian lei for $1 and 200 Czech kronen for the same price. A pair of shoes in Roumania costs about 8,700 lei, or about $35.)

It's not hard to see who loses in the deal. For example, a Canadian ten-dollar bill, exchanged in Poland for Polish zlotys at the official rate, will buy one pound of coffee in Poland, compared to the variety of food it could buy here. Communists at the receiving end or in Canada can, of course, take the cream off in the exchange shuffle.

Who's Working Racket

Chief reported recipients for Canadian dollars are the more than 20 Canadian Red-line weekly newspapers published in the Ukrainian, Polish, Czech, Slovak and Magyar languages, and related Red-dominated ethnic "front" organizations.

Chief Iron Curtain countries involved are Poland, East Germany, Czechoslovakia, Hungary, Roumania and Bulgaria, in that order.

Experts at the National Committee for a Free Europe offices in New York estimate that Poles living abroad, about 85% of them in Canada and the U. S., send 100,000 parcels a month to the Poland homeland. Since September, 1945, about $100 millions worth of goods has been sent to the East German Republic and Poland from North and South America.

Australia's Continuing Development

Industrial . . Commercial and Financial Information

Designed to provide factual information for businessmen this new booklet is now available on request.

111 pages packed with carefully selected facts, graphs, maps, and illustrations, describe the Australian scene, the people, primary and manufacturing industry, power resources, trade, transport and communications, private and public finance, and the social pattern.

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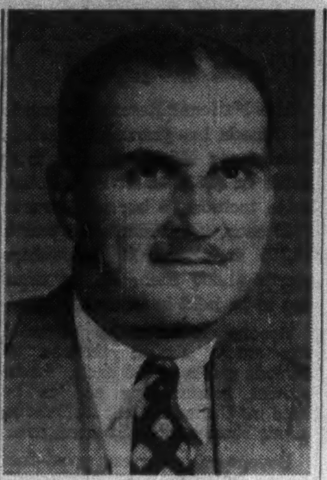

F. M. A. NOBLET

has been elected treasurer of International Nickel Co. of Canada and of U. S. subsidiary.

Sales Drive By Dairy Producers

One of agriculture's most intensive advertising campaigns—for dairy products—will continue in June. The selling angle for that month: dairy foods related to summer meals.

Concentrated milk products, butter and fluid milk were plugged in February, March and April respectively.

Spearheading the dairy drive is the Dairy Farmers of Canada, a producer organization. Co-operating are dairy processors, distributors, manufacturers, wholesalers and retailers.

The dairymen's organization backs the campaign with proceeds of its annual "set-aside," obtained from members and based on June production. This will net an estimated $400,000 or more this year.

That Fur Coat Next Winter May Cost You A Little Less

The man who pays the bill for his wife's new fur coat may be a winner this fall. Prices could be lower.

Last week's convention of the Fur Trade Association of Canada held in Toronto got the latest word on a new style trend that may save a little money for the fur coat buyer: side flare and straight back coats are taking the play away from the four-flare coat.

This means that an increasing number of coats will have only two flares or none at all instead of the four so popular recently. Result: a small saving in material and some in price.

Add to this the federal decision to remove the 15% excise tax on furs and the belt to the pocketbook for this fall's fur coats could be appreciably less. However, abolition of the 15% tax doesn't mean a 15% retail price cut. The tax was paid on skins and the saving on retail price is considerably lower.

One thing could mar the outlook for cheaper fur coats: more expensive furs. One Toronto fur manufacturer reports the 15% tax abolition seems to be having the effect of pushing up prices at fur auctions.

For instance, foreign buyers who find the 15% tax gone are inclined to put up their bids for furs partly nullifying the tax cut as far as eventual retail price is concerned.

On another aspect of selling furs, there was considerable feeling at the convention that retail fur advertising has been poor.

If retailers follow suggestions made at the Toronto meeting consumers will hear more about the product, less about price, in future advertising campaigns.

Water System Makers Set Up Organization

The Canadian Association of Domestic and Farm Water System Manufacturers has been organized as a trade section of the Canadian Manufacturers' Association.

The new association has offices at 67 Yonge Street, Toronto. Newly elected officers include:

Chairman, R. L. Sellars of Pumps and Softeners Ltd., London, Ont.; vice-chairman, C. M. Cowan of the R. McDougall Co. Ltd., Galt, Ont.; and the following executive committee members: D. B. Beatty of Beatty Bros. Ltd., Fergus, Ont.; W. H. Woods of The Robbins and Myers Co. of Canada Ltd., Brantford, Ont. Secretary is H. S. Shurtleff.

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Here's a case where money talks sales sense

Canadians pay more for The Star Weekly than for ANY other publication

READERS PAY MORE FOR THE STAR WEEKLY BECAUSE THERE IS MORE FOR THE WHOLE FAMILY TO READ . . .
No other Canadian publication offers such a big reader-interest "package"—Rotogravure Section—*two* big Magazine Sections—Comic Section—and Novel. That's why The Star Weekly has more readers . . . over 2,930,000 every week! And that's why, put them all together, Canadians pay out more for their Star Weekly than they spend to buy *any* other publication in Canada!

FOR INSTANCE, THE LARGEST BUNDLE OF PAPERS IN PRACTICALLY EVERY CANADIAN DRUG STORE IS THE PILE OF STAR WEEKLIES.
The reason is, The Star Weekly is one of the druggist's (and the stationer's) "best sellers". Here, where people buy only what they *want* to read, this publication far outsells all others!

MORE STAR WEEKLIES ARE DELIVERED DIRECT TO CANADIAN HOMES AND PAID FOR IN CASH . . .
In every Canadian centre where there are 60 or more English-speaking families, there is a Star Weekly carrier boy. And remember, practically nobody "subscribes" to The Star Weekly. Whether they buy it at the newsstand, in the store, or from the carrier boy, 99.3% of all Star Weekly readers pay cash each week. If you want *your* advertising to "cash in" on Canada's largest reading audience, it makes real *sales* sense to use The Star Weekly.

Your advertising talks to more "paying customers" in
The STAR WEEKLY

Published at 80 King Street West, Toronto, Canada • Montreal Advertising Offices: University Tower • U.S. Representatives: Ward-Griffith Co. Inc.

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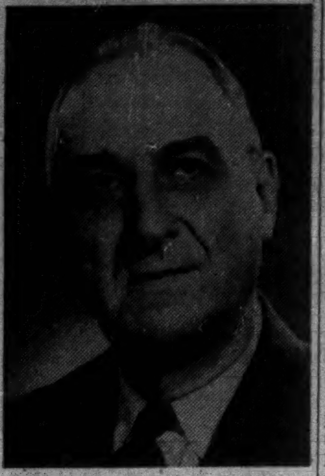

The Board of Directors of Walter Woods Limited announces the appointment of Mr. David Sutherland to the position of Manager of Walter Woods, Limited, Saskatoon, Sask.

Mr. Sutherland returns to Saskatoon, where he spent many years associated with the Wholesale Hardware business and is very well known throughout the Retail Trade in Saskatchewan and Eastern Alberta.

Prior to returning to Saskatoon to take up his new duties, Mr. Sutherland has been associated with the Winnipeg office of the Company for the past eight years.

Powell River Expects Sales, Earnings Increase in '54

Powell River Co. hopes to increase its newsprint output this year to 367,000 tons, 36,000 or 11% more than in 1953, President Harold S. Foley told the annual meeting.

The increase is made possible by speed-ups on four machines, installation of a "couch transfer" or "vacuum pick-up" on No. 8 machine, and the now-continuous (formerly six days a week) operation of company's newsprint machines.

Company's unbleached sulphite pulp position improved during the second half of 1953 and while prices continue on the low side, company expects to market its entire production in 1954.

Lumber prices declined steadily last year but lately there has been a firming in prices for most grades. Company expects it will be able to sell all its estimated output of 75 million feet at today's price levels, which it considers are too low.

Due to strong world newsprint demand, plus company's policy of selling in logical markets on long term contracts, no difficulties in marketing maximum possible newsprint output are expected. March production was 32,000 tons, up from 28,000 in March, 1953 and 25,000 two years ago.

"With our anticipated production during this year at present price and cost levels, the earnings for 1954 should show some improvement over 1953," the president predicted.

It's hoped that the U. S. dollar will return to parity with the Canadian dollar in the near future. With the Canadian dollar at a premium last year, Powell River's loss on exchange was $600,000 (14c a share before taxes.)

Cost of transporting logs from the Queen Charlotte Islands to Powell River is expected to be greatly reduced, and log losses held to a minimum, through use of two specially designed log carrying barges now being built for the company at a cost of $1¼ millions. Each barge will carry 1½ million ft. Barges will help in the battle against tereds (shipworm) damags which, while it cannot be accurately measured, amounts to "a staggering sum" each year, the president said.

Plans are under consideration for establishment of a new container plant as a means of expanding the operations of Martin Paper Products Ltd. in to B. C. Powell River bought a controlling interest in this firm in March. It manufactures corrugated containers in plants at Winnipeg, Calgary and Edmonton.

The Martin company was established 25 years ago, has always been a profitable operation, and has an outstanding reputation for quality of products and service, President Foley said. Purchase of the controlling interest is another step in Powell River's plans for diversification, integration of its operations and for complete utilization of its forest resources.

Powell River has arranged for sale of a small sawmill at Haney, B.C. acquired along with a group of companies in 1951. Sale will be completed shortly.

The new couch transfer or vacuum pick-up unit installed for No. 8 paper machine is working well, and has made possible an increase in efficiency, a reduction in sulphite pulp content, and the operation of the machine at higher speeds. Company proposes to install similar equipment on some of the other machines in the near future.

Policy of distributing at least 60% of net earnings in form of dividends will be continued in 1954, barring a major unfavorable situation not presently anticipated.

Pembina Oil Line Under Way Soon

A preliminary permit for construction of a crude oil gathering system and transmission line connecting the Cardium-sand oil producing field in the Pembina area of West Central Alberta to the terminals of Trans Mountain and Interprovincial Oil pipelines at Edmonton has been granted to Pembina Line Co., Calgary, Alta.

The permit has been granted by the Director of Surveys of the Dept. of Highways for Alberta, following hearings before the Petroleum & Natural Gas Conservation Board. Pembina oil field has been called "the most significant oil discovery of the past year," and looks as if it represents the greatest oil reserves in Canada.

The gathering system—one of the world's largest—will tie in at least nine townships during the initial construction phases. Gathering lines will vary in size from 3 in. to 12 in., and will cost around $5-6 million. Main pumping station, to be located some 12 miles due north of Buck Lake will initially have at least two pumping units with approximately 100,000 barrels of oil storage capacity.

From the main pump station the transmission line, of 16 in. diameter will follow a proposed route, roughly paralleling the south side of the North Saskatchewan River, to the Trans Mountain and Interprovincial stations at Edmonton a distance of some 72 miles.

Interest in the Pembina Co. will be held mainly by Mannix Ltd., Dome Exploration and Carl M. Loeb, Rhoades & Co. The major oil companies active in the Pembina field will also be invited to participate.

Staff Changes

Chartered banks announce the following staff changes.

Royal:

D. C. V. MORRISON, manager, Otterville, Ont., to be manager, Port Dover, Ont.

G. D. G. McARTHUR, manager, Yonge & Sherwood, Toronto, to be manager, Bay & Wellington, Toronto.

L. F. DAVIES, accountant, Fort William, Ont., to be manager, Churchill, Man.

V. M. BLAKE, manager, Port Dover, Ont., to be manager, Grand Valley, Ont.

V. M. RICE, manager, Bayview & York Mills, Toronto, to be manager, Don Mills, Ont.

J. C. M. WINTER, accountant, Sherbrook & Portage, Winnipeg, to be manager, Portage & Mount Royal, St. James, Man.

P. BEDENHAM, manager, Grand Valley, Ont., to be manager, Comber, Ont.

A. S KING, accountant, Main & Selkirk, Winnipeg, to be manager, Whitemouth, Man.

J A. DIAZ, accountant, Camaguey, Cuba, promoted assistant manager.

L. H DALGLIESH, assistant manager, Kingston, Ja., to be assistant manager, Port of Spain, Trinidad.

R D. HATCH, supervisor's dept., Havana, Cuba, to be assistant manager, Havana, Cuba.

M. D J DE FREITAS, accountant, Ciudad Trujillo, D.R., to be assistant manager, Santiago de Cuba, Cuba.

F. J MARXUACH, to be accountant, Santurce, P.R.

L A WENTZELL, supervisor's dept., Halifax, to be accountant, *Bridgetown, N.S.

J. F. BAILEY, Winnipeg, Man., to be accountant, Winnipeg, Main & Selkirk, Man.

P. S. BREED, accountant, Bridgetown, N.S., to be accountant, Windsor, N.S.

A. G. FRASER, accountant, St. Peter's, N.S., to be accountant, Berwick, N.S.

J. H. WILSON, assistant accountant, Toronto, promoted accountant.

A F. FRASER, accountant, Windsor, N.S., to be accountant, Truro, N.S.

J. G. POFF, St. Catherine & Bleury, Montreal, to be accountant, Monkland & Grand, Montreal.

J. S BROWN, Portage & Edmonton, Winnipeg, to be accountant, Roblin, Man.

D. E BECKER, Terrace, B.C., to be accountant, Dunbar & 17th, Vancouver.

R. C. C. DECLE, accountant, Monkland & Grand Blvd., to be accountant, Laurier Ave., Montreal.

G. A. GRIFFIN assistant manager, Havana Cuba, retired.

• • •

Montreal:

I. C. H. STORER, formerly of Moncton, N.B., to be manager, Quinpool & Harvard, Halifax.

J. K. IRVIN, formerly of Watford, Ont., to be manager, Westinghouse Ave., Hamilton, Ont.

J. P. E. VIENS, formerly of Napierville, Que., to be manager, Levis, Que.

J. L. McGERRIGLE, formerly of Quinpool & Harvard, Halifax, to be manager at Marcil & Sherbrooke, Montreal.

GEORGE M. GRANT

has been appointed general manager, Bell Telephone's special contract department.

NRC Scholarships Worth $283,200

The National Research Council of Canada has granted 236 scholarships for 1954-55 with a total value of $283,200. These scholarships include 75 bursaries worth $800 each, 103 studentships worth $1,100 each and 21 fellowships worth $1,400 each. All of these are to be held in Canada.

Special scholarships awarded for study abroad include 20 awards worth $1,900 each. These special scholarships are to be held in: United States, 10; Britain, eight; France, one; Sweden, one.

Seventeen overseas post-doctorate fellowships at $2,500 each have been granted for work in: Britain, 12; Sweden, two, Denmark, one; France, one; Netherlands, one.

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There is a *right* place for the plant you propose . . . with labor, raw materials, transport and markets geared to your particular needs . . . for the most efficient production and distribution at the lowest possible operational cost.

. . . Like a garden plant, an industrial plant must be fed efficiently. It must be able to dispose of its products economically if it is to grow and prosper. That's why LOCATION is so vitally important in choosing a new plant site.

And that's where we come in! We have the staff with a broad background of experience in interpreting data to help you in the important matter of industrial placement. We'll gladly make confidential analyses for you, without fee or obligation.

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Live Better
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"Better take a raincoat, the forecast is..."

". . . heavy rains due about noon today". What's behind that simple but very useful statement which you receive through your home radio, television or newspaper in plenty of time to take prompt action?

Picture a map of the world with about 200 weather stations pinpointed. At each station constant checks are made to determine temperature, wind direction and velocity, precipitation and atmospheric pressure.

These weather data are quickly transmitted to regional weather bureaus where they are carefully charted. Each bureau then makes a regional forecast and exchanges it with all other bureaus.

These widely scattered weather stations and bureaus are linked together into a network by efficient communications systems, of which one is the modern TELETYPE. This network in turn is linked to the news TELETYPE systems that service radio and television stations and newspapers.

Just as TELETYPE serves to speed news and weather information it also serves Canadian business. It is widely used in railway and telegraph services. But TELETYPE is also finding high favour in industrial and commercial organizations. It is proving economical for use in companies which have multiple or widely scattered branches, serving the order departments, facilitating sales and distribution services and speeding the exchange of business information generally. In fact, both radio communications and TELETYPE networks are good examples of electronics at work for you.

And in Canada, where the electronics industry is highly developed, the Northern Electric Company is one of the largest producers and distributors of communications systems—systems that keep you informed better, served better—help you LIVE BETTER!

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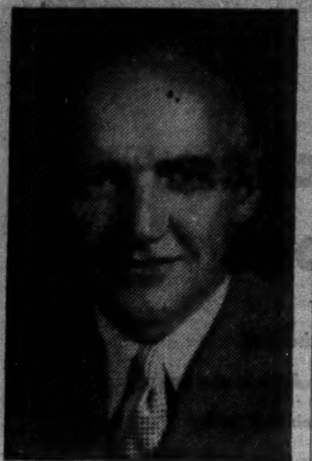


ANNOUNCEMENT

GRAHAM A. WALTER

Announcement is made by The Canada Life Assurance Company of the presentation of the President's Award to Graham A. Walter, Manager of its Toronto Osgoode branch. This is the highest honor attainable by a Canada Life manager and is based on all phases of branch management during the past year.

LABOR ROUNDUP By TREVOR LLOYD

TLC's Bengough Retires; CCL Leadership Fight Too?

Resignation of Percy Bengough from the presidency of the Trades and Labor Congress has revived speculation on when a similar development may come in the other big labor camp—the Canadian Congress of Labor.

More and more, it looks as though the big contest between rivals George Burt of the United Auto Workers and C. H. Millard of the Steelworkers will not develop immediately after resignation of CCL President A. R. Mosher. At least it won't be an open contest between the two for the presidential office.

So far, there has been no indication that Mosher will step down this year. Despite his 72 years, he is still very active.

In recent years the CCL has been working hard to achieve harmony in its house. The serious rifts of two years ago have been somewhat closed and officials don't want any situation to develop that would re-open those schisms.

That, along with Mosher's continuing ability to hold the job, has been behind his annual re-election. Mosher has been able to head the organization without having to take sides.

The feeling now is that the CCL is anxious to have a man follow Mosher who could fill the same kind of role. And that is what is behind naming H. A. Chappell, president of the 35,000-member Canadian Brotherhood of Railway Employees. It is felt that Chappell could lead without taking sides and further postpone any showdown between Millard and Burt.

If such a contest did develop, it would probably be started by Millard who generally speaking is in a more powerful position than Burt. But this doesn't look like the year that Millard will choose in that his position isn't as strong now—following the lengthy mining strikes — as it might be a year hence.

Other unions aren't exactly pointing the finger at Millard for his conduct of the strikes. They doubt whether any union could have come out of such a situation any better than did the Steelworkers. But at least some unionists are doubting the wisdom of calling the strike in the first place.

Millard Position Good

On the other hand, of the two Millard is strongly ambitious and because of union organization would be in a better position to hold down the two jobs. And as long as the CCL president is paid only expenses, another income would be essential for either.

Because of the organization of the Steelworkers, Millard could adjust more easily and with less danger of losing his union position. Because of the procedure involved, it would be much more difficult for ambitious underlings to unseat the Steelworkers' president on the grounds that he was spending too much time on Congress business.

And because the CCL president is required to make a lot of public appearances, it would seriously cut into the time he could devote to affairs of his own union. In his present position, this traveling and public speaking takes up much of Millard's time. To switch this activity to appearances in the interests of the whole CCL would not make too much of a difference in his routine.

Burt, on the other hand, is much closer to the negotiating tables and his job as UAW head would suffer a good deal if he had to be absent for extended periods.

Again, because of the UAW constitution, it would be much simpler for others in the union to unseat Burt than it would be in the case of the Steelworkers. At least theoretically, Burt could be voted out by a sufficient number of delegates to a convention.

And, again, the constitutions of the two unions would mean a difference in the chances of the two if they had to compete for votes at a national CCL convention.

The CCL convention regulations stipulate one delegate from each local of a union. The catch is that while membership in the UAW and the Steelworkers is roughly equal, the latter has far more locals. The UAW has a lot fewer but each local is bigger. That means the Steelworkers could "pack" a convention if it was felt necessary and outvote the UAW.

The union could, that is, if it was able to control delegates' votes. At the 1952 convention, with Steelworkers' officials backing their own man William Mahoney for the post of CCL secretary-treasurer, it was obvious Steel delegates did not vote as Millard would have liked. Mahoney lost out while Donald MacDonald was re-elected.

If the contest did develop, it would probably be touched off by Millard with Burt being brought in as counterbalance. But since Millard isn't in as strong a position as he may be a year from now, and as long as Mosher is able to carry on as he has been doing, it looks as though there won't be any leadership problems in the CCL this year.

But lack of warning of a change didn't mean much prior to Bengough's retirement. In the month preceding the announcement, senior TLC officials emphatically denied to The Financial Post that there was any such move in the offing. Officially, Bengough's announcement came as a surprise even to TLC officials.

* * *

Meeting Shows Growing TLC Interest In CCF

The growing interest of the TLC is embracing the CCF as its political arm, evident first at the national TLC sessions last summer, went up another notch last week end when the Ontario Federation of the Printing Trades Unions resolved to urge full support of the move.

The resolution was passed by one vote indicating the difference of opinion on the issue. But its passage points to revival of the issue at this year's annual TLC convention where it could well emerge as one of the chief points of discussion.

When brought up at the annual TLC convention for the first time last year it was voted down. But there were enough supporters to indicate the question would appear again.

It might also play a bigger role in the Regina sessions next August. It could well become a plank in the platform of one or more of the candidates seeking the presidency.

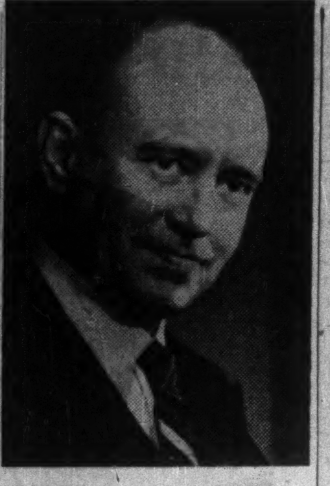
* * *

Labor Briefs

At midweek, there had been no official re-opening of negotiations between John Inglis and its 1,200 Toronto employees who last week rejected the no-increase recommendations of the conciliation board. The contract, providing substantial improvements in the welfare benefits of employees, had been signed by some 900 employees in other plants.

* * *

The month of March on the labor relations front proved the quietest of any since April, 1951. Time lost through strikes and lockouts in March totaled 13,945 man-working days compared with over 52,000 the previous month and 32,998 in March, 1953.



HENRY S. WINGATE

has been elected president, International Nickel Co. of Canada.

U.S. Imports Canadian Cattle, Sparks Moderate Price Rise

Where is the Canadian cattle market going?

Do the recent moderate price increases mean more expensive beef for the consumer? Are prices too high to clear the market?

Underlining these questions is the news that for the first time since Western Canada's outbreak of foot-and-mouth disease stopped exports early in 1952 beef cattle are moving to the U. S. in substantial numbers.

Canada shipped some 5,200 beef cattle to the U. S. in the three weeks ending April 24. Total to date this year: 15,045. Same period last year: 325.

As predicted by The Post (March 20), cattle prices have moved up slightly in the past month. But most authorities in the industry say they can go no higher under present supply and demand conditions, that prices must remain low to clear the market.

One says the renewed U. S. market for best quality steers is putting a top on Canadian prices which is out of line with the quantities of cattle which must find a domestic market.

He says price is at a key point, where any further move up would mean a drop in consumption. Spurred by low prices, beef consumption climbed sharply in 1953 and remains high, partly because of the comparatively high price of pork.

Figures show cattle slaughtering running well ahead of last year and give some support to the contention that veal calves have been priced too high to take care of heavy supply. Inspected cattle slaughtering to date is some 17.5% ahead of last year with the calf kill up 26.9%.

Average price for good steers in Toronto for week ended April 24 was $18.57 cwt. compared with $19.75 in the same week last year.

GEORGE WESTON LTD. had 685,896 common shares and 118,715 preferred shares outstanding at April 28.

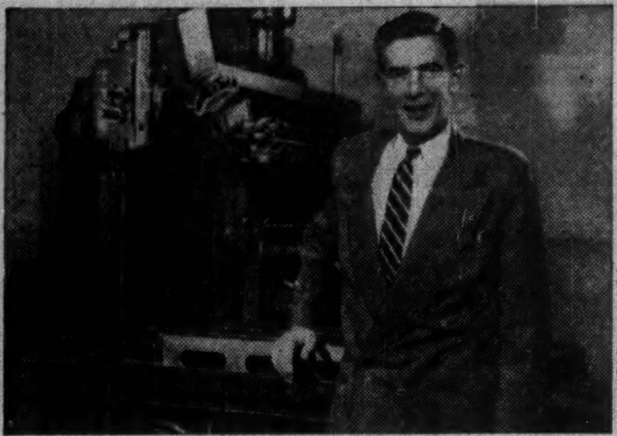
CPR Earnings Off But Net Up 9.7%

MONTREAL (Staff)—A sharp cut in working expenses more than offset another drop in gross earnings of Canadian Pacific Railway in March. As a result, net rail earnings at $3,720,278 were up $328,190 or 9.7% from March, 1953.

Comparative statements showed:

	March 1954 $	March 1953 $	Change $
Gross earn. ..	36,791,399	38,873,013	−2,081,614
Working exp. ..	33,071,121	35,480,925	−2,409,804
Net earn.	3,720,278	3,392,088	+328,190

	Three Months to March 31 1954 $	1953 $	Change $
Gross earn. ..	99,319,040	109,771,188	−10,452,148
Working exp. ..	96,520,431	105,371,276	−8,850,845
Net earn.	2,798,609	4,399,912	−1,601,303



"The Bank showed me how to buy this machine".

"I manufacture air compressors and vacuum pumps. Business has been growing fast. In fact, I had to turn down orders last year because I could not make delivery with my limited facilities. By installing an expensive new hydraulic shaper, I knew I could capitalize on this new business. But I was not sure I could afford to finance such expansion.

"I took my problem to Don Mitchell, who manages my branch of The Dominion Bank. He showed me how—with some help from the Bank—I could buy this new machine, as well as additional finishing and assembling equipment.

"My business has gone steadily ahead, thanks to the help and advice of The Dominion Bank. If *you* have a problem in finance, I suggest you see your Dominion Bank manager."

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Frederick J. Mayo, *Hartford, Conn.;* R. J. Sharpe, *Montreal;*
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Officers:
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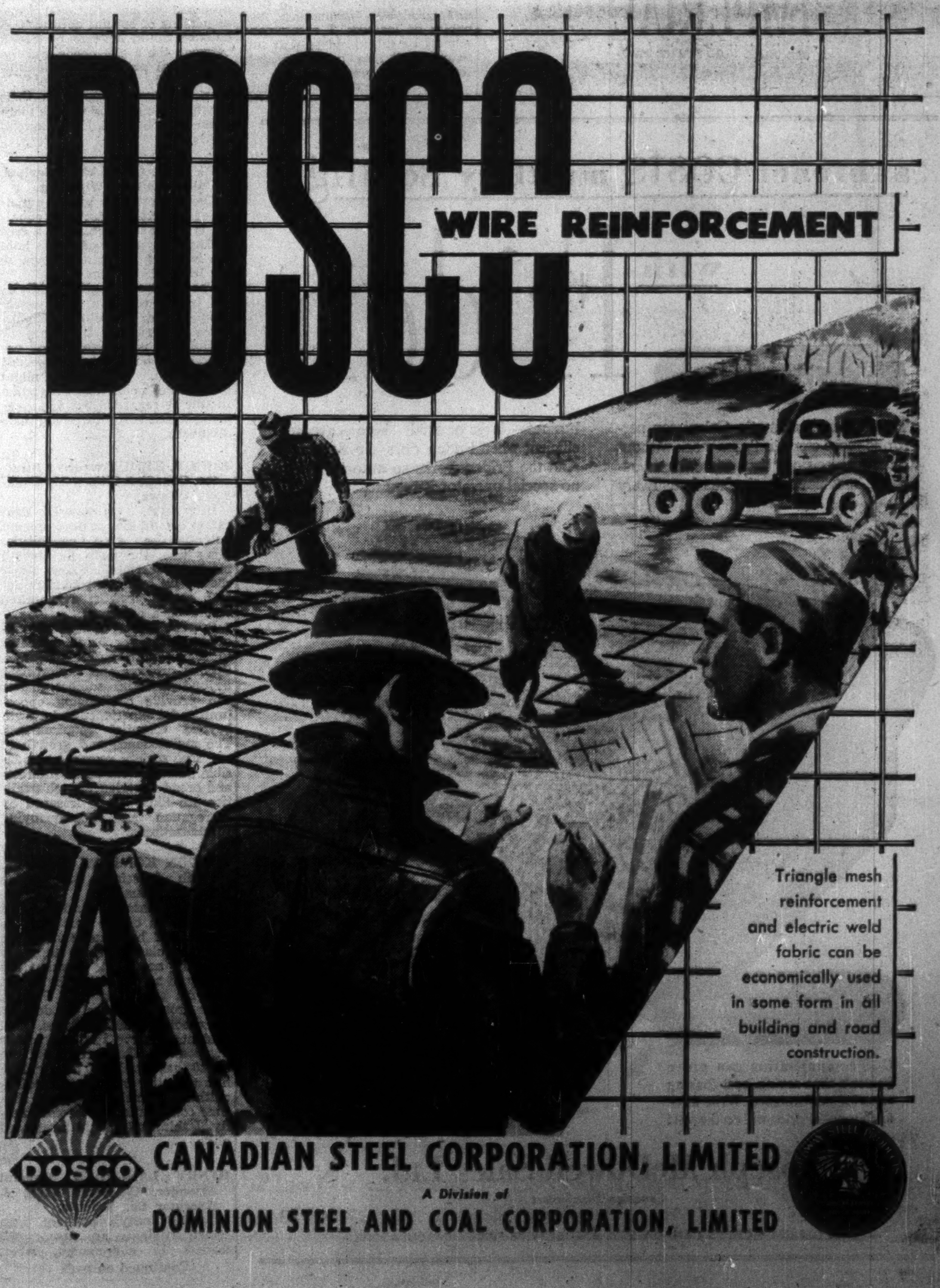

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ANNOUNCEMENT

Vickers & Benson Appointment

R. G. FITZPATRICK

has joined the Toronto office of Vickers & Benson Ltd. Advertising Agency as a senior account executive. Among other activities Mr. Fitzpatrick is a Director of the Advertising and Sales Club of Toronto and a Past President of the Toronto Junior Board of Trade. His former associations include many years experience in sales management, merchandising and advertising.

Segregate Brainy Students?

The Question: Educationists suggest special classes for brilliant high school students. What are your views?

Segregation of academically brilliant high school students is not a good thing, according to most respondents to this week's question by The Post:

They enumerate many reasons why. Among them:

—Classes would lose stability provided by cross-sectional representation; it would be psychologically unsound for both groups.

—The less fortunate students would lose the inspiration and assistance provided by the brilliant.

—Specially qualified teachers may not be available in sufficient numbers for the advanced classes.

—Difficulty of accurately distinguishing student ability.

There are many alternate suggestions, however. These include: smaller classes; special teacher attention; opportunity for extra work and exploration for the brilliant.

Those who favor segregation point to human resources as a precious thing that deserves and requires greatest development for the general good. Segregation would both achieve this and rule out boredom and its ill effects among those who are ahead of the rest of the class.

G. G. BRAMHILL, Secretary, Chamber of Commerce, Simcoe, Ont.

We do not need a class of supermen. The brilliant student is often overtaken in life by the less brilliant but patient plodder. The brilliant student needs the companionship of the slower and the less brilliant, the inspiration of the brighter minds.

We need to turn out students who are first human beings, normal to live with, who are tolerant of the less fortunate and not envious of the brainy ones. We could follow the educationists' suggestion a step further and breed a class of super-brains as we now breed high producing dairy cows or race horses.

* * *

PROF. G. L. BRODERSEN, Ass't. Dean of Arts & Science, University of Manitoba, Winnipeg.

Special classes for brilliant students provided they are adequately taught. The mental equipment and training of many teachers does not prepare them for this. Curricula would need revision to provide the necessary additional mental challenge at present neglected in curricula prepared in such a way as not to extend students of even the lowest mentality. Brilliant students are now bored and inhibited by lack of inducements and frustrated by teachers who try to prevent what they call over achievement.

* * *

F. J. BURNS, Manager, Kentville Publishing Co., Kentville, N.S.

It would tend to segregate this type of student from the normal which is psychologically unsound. I suggest that from a high school level, Grades X, XI, XII, XIII, I believe students should not be removed too far from natural environments and with small classes teacher can broaden scope of subjects to meet need of regular students. At the present time classes are usually so large that practically all time is spent on average or slow students while superior student is permitted to drift and gradually accumulate bad habits of laziness. I recommend schools be subsidized so that sufficient staff may be procured to teach smaller groups.

That scholarships be established to enable worthy students to pursue further studies at university qualified to handle their qualifications, and that such scholarships be of sufficient value to cover all costs, i.e. similar to service grants made after the war.

* * *

P. M. DEWAN, former Minister of Agriculture for Ontario, former Teacher, Woodstock, Ont.

Why not allow bright and highly industrious students to take extra subjects? When I attended high school there were first, second, third and senior third forms leading to junior matriculation. The work taken in junior third reviewed ground already covered and a preparation for senior third. A student who passed second form with honors was allowed to skip junior third. Such was my own experience not because of brilliance but hard work.

Having entered high school somewhat late in life I was also allowed to take first and second forms at the same time having my own choice as to the classes attended but being obliged to write examinations in all subjects.

* * *

J. A. DEWART, Dewart Milling Co., former Teacher, Peterborough, Ont.

Such classes appear attractive but disadvantages may outweigh advantages. Democracy emphasizes equality and brilliant students and classes are an inspiration and assistance to average pupils stimulating them to greater efforts. Specially qualified teachers would would be required for special classes and may not be available in average secondary schools.

Scholarships may offer the necessary incentive to promote best efforts of brilliant students who usually find ways and means of pursuing special interest and studies. Teachers generally are glad to help their endeavors outside of regular classes. In my opinion the present system does not necessarily handicap top grade students.

* * *

MARVIN GELBER, Vice-President, Gelber Bros. Ltd., Toronto.

To segregate "brilliant" high school students in special classes is a proposal replete with many dangers. The purpose of education is not to fill the mind but to adjust the pupil to life and to society. If the plan of President Sydney Smith and others results in the segregation of the precocious, then it might do much damage.

However, I imagine that the proposed giving additional scope to persons of special aptitudes. A balance would have to be struck between the social needs and the intellectual and artistic capabilities of the student. Educators must be given support in their attempt to make the schools more interesting but the job is not all theirs.

* * *

REV. W. C. GRAHAM, Principal, United College, Winnipeg.

The suggestion is sound. Equality of opportunity not mere equality is one of the goals of a free society. It would be fatal to hold the intellectually gifted down to the level of the mass.

The mind of the gifted individual is potentially a creative instrument of the utmost importance to society. It should be stimulated not regimented, encouraged to adventure not coerced to conform. Whatever it might cost to implement this suggestion should be regarded not as an expense which will return handsome dividends.

* * *

JOHN P. KIDD, Executive Director, Canadian Citizenship Council, Ottawa.

In general, I am opposed. Education should aim at development potentialities and capabilities other than the mere facility for mastering certain courses. There should be every opportunity for full social growth; segregation would be a deterrent.

Present course options provide opportunities for bright students to select more difficult courses. Special projects and explorations beyond essential subject matter can provide challenging opportunities for experience and growth beyond essential requirements. The maintenance and growth of our free society requires responsible citizens with broad interests and broad experience; such qualities are likely to be lessened by segregation and accompanying specialization.

* * *

GORDON KONANTZ, President, North American Building & Supply, Winnipeg.

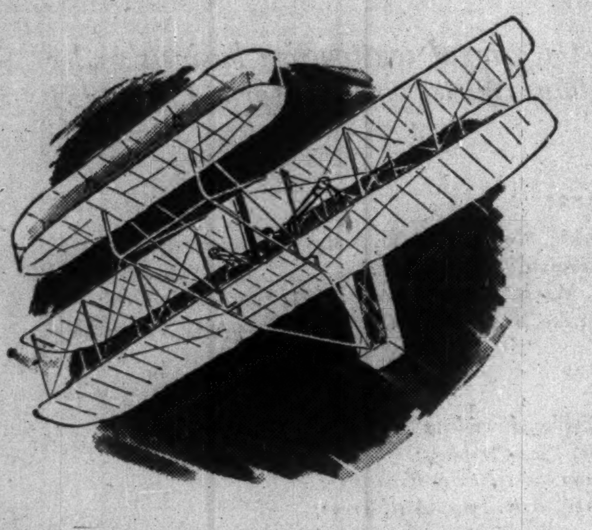
Special classes would demand the services of the best teachers who would be taken away from standard classes where they are urgently needed to develop the ability of all students. The bright students get along well. Picking them from others might develop unexpected disadvantages. All students deserve the best teaching possible. The average student of 10 has qualities that enable him to better face practical difficulties and make a greater lifetime contribution to the community. I think all should be treated alike.

* * *

HENRY LANGFORD, General Manager, Chartered Trust & Executor Co., Toronto.

Among today's brilliant high school students are tomorrow's leaders in government, labor,

(Continued on page 13)



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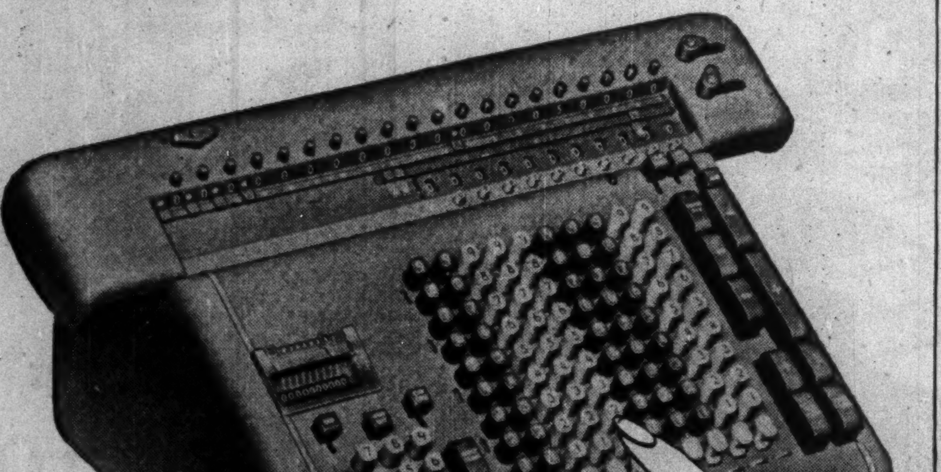

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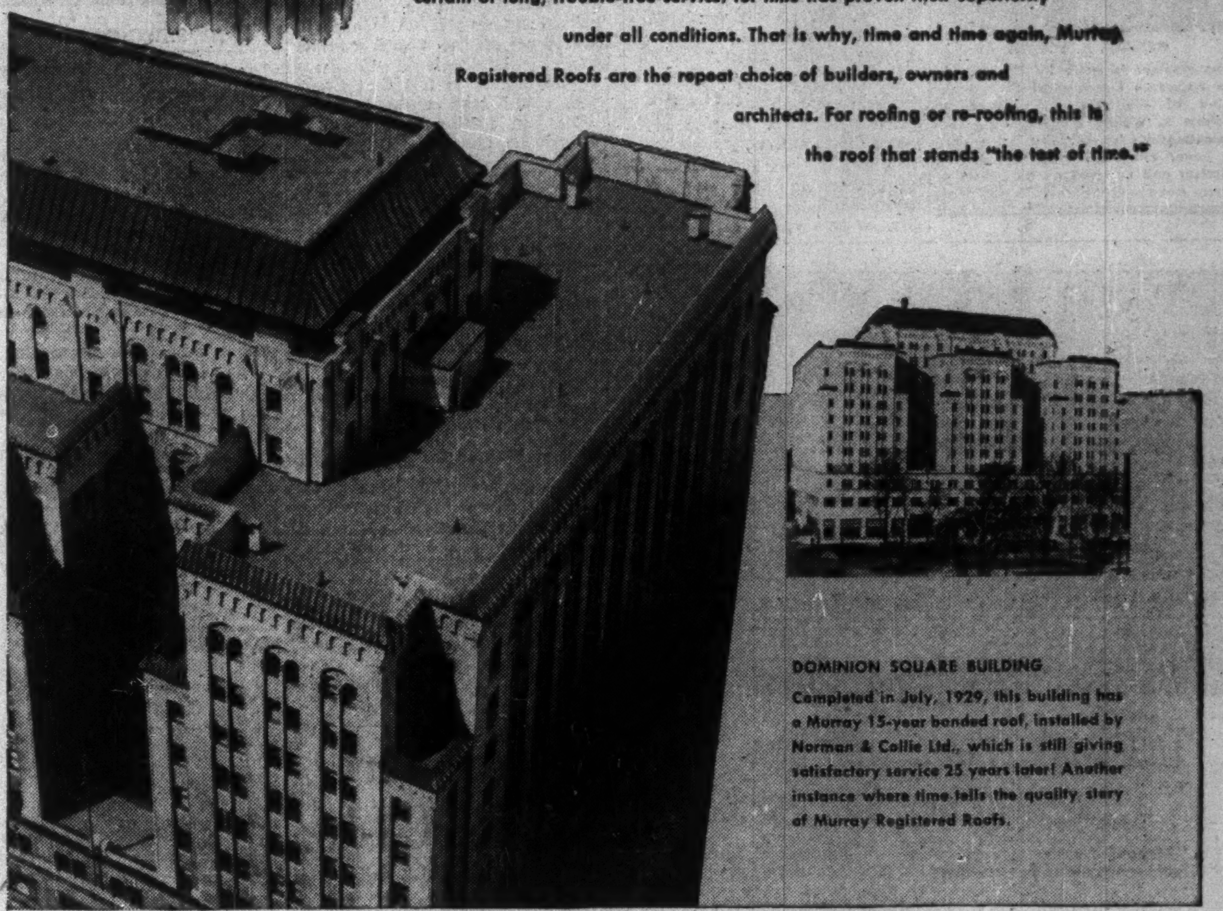

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Segregate Brainy Students?

(Continued from page 12)

business and the professions. Anything which can properly be done to improve the training of these young people should be put in hand. When planning changes in the present education of our youth, we should confine ourselves to the technical or academic aspects. It is in the spiritual realm that our leaders of both today and tomorrow need most help.

The world would not be improved if we merely concentrate on the training of more brilliant atomic scientists without giving them the moral and spiritual stamina properly to apply their technical skills.

• • •

NORMAN MACKENZIE, President, University of B. C., Vancouver.

I have several reservations. First, the difficulty of distinguishing between the brilliant and the able for purposes of segregation, second, the brilliant may need a leavening of able and stable students, third, it is only possible in larger centres of population, fourth, if able students are segregated academically, they should not be segregated from their age bracket, five, the standards of segregated scholars should not be allowed to establish the standard for university entrance. I am not averse to special schools in larger centres for students who intend to pursue academic education provided this does not forbid the transfer of other students who may develop academic interests at a later stage of development to academic program.

In addition, before concurring in the policy of segregation, I would wish to know whether the curriculum intended for brilliant students was going to add depth or breadth at that level. I prefer breadth for that age group.

• • •

DAVID MUNROE, Director, School for Teachers, St. Ann de Bellevue, Que.

The best way to develop able pupils is to reduce the size of classes. Placed with 15 or 20 average children under a thoroughly competent teacher, they could then follow enriched curriculum in normal environment. Overcrowded classrooms and oversize schools are the most serious obstacles to development at present.

In smaller groups, pupils with high ability under the stimulation of good teachers could advance much faster, cultivate individual interests and aptitudes, develop greater initiative and better habits of study. Small classes and good teaching, rather than segregation.

• • •

A. L. PHELPS, former Professor of English, McGill University, now retired, Whitby, Ont.

I am afraid of this (gifted student) business. Human development being the fitful thing it is, often the dullard of today is the gifted of tmorrow. Often the most ingeniously contrived tests for sorting out students simply do not work.

Seigfried said that intelligence tests are safe only in the hands of gentlemen possessed of a sense of humor. The attempt to segregate a presumed elite has terrific hazards for the unwary. The best possible instrument for the discovery and encouragement of student potential is the gifted teacher that is the challenge for the schools.

• • •

C. O. TATHAM, General Hardware Distributors, Woodstock, Ont., former Editor, Woodstock Sentinel Review.

I doubt the wisdom of segregating students in high schools according to their degree of brilliancy. The Einsteins are not held back and the great majority of normal pupils have an incentive that would be lacking if present system was changed.

• • •

DR. T. THORVALDSON, Dept. of Chemistry, University of Saskatchewan, Saskatoon.

The effectiveness and survival of a democratic society depends on the development of its human resources. An educational system adjusted to the capacity of a group low in scholastic ability does not present the challenge necessary for the full development of the most gifted individuals. I would favor special course for brilliant students in the upper years of high school, admission being voluntary and permission based on past performance.

Where this is not possible, supplementary work might be offered with the sights set high enough to appeal only to those with the ability and determination to excel.

• • •

G. A. WHEABLE, Superintendent of Schools, London, Ont.

Special classes for brilliant high school students very desirable but the administrative problems are difficult to overcome. Most parents are unwilling to separate student from friends or send him from a nearby school to a central point. Few schools have more than five or ten students of this calibre in each grade. This is not sufficient to justify a class in each year of high school course.

Placing students of three or more grades together would result in undesirable social segregation of group. I suggest that, wherever possible, brilliant students be placed with teachers who will challenge them by special assignments requiring research and judgment.

Spring Upturn Seen For C-I-L

MONTREAL (Staff) — First quarter 1954 demand for some chemical industry products was down from a year earlier, President H. Greville Smith told Canadian Industries Ltd. shareholders at the annual meeting.

He noted that general business and industrial activity are not at the high levels of a year ago, and felt that this situation has been aggravated by adverse seasonal conditions. Arrival of spring is bound to bring about some revival, but whether this will prelude a sustained improvement "I shall not venture to predict," said the president.

However, he pointed out that some industries, such as textile manufacturing, are passing through a difficult period brought on by special rather than general conditions.

Two misfortunes in the first quarter will have some effect on financial results, the president said. Production of polythene flake at Edmonton was interrupted by an explosion in March; damage was covered by insurance and partial operation has been resumed. Secondly, operations at Windsor Works ceased, due to subsidence and flooding of part of the plant site, and will not be resumed.

President Smith noted that 1953 was C-I-L's year, of greatest expansion in manufacturing capacity. Expenditures on new plant and equipment hit a record of over $28 millions, bringing 1946-53 construction outlays to nearly $92 millions.

Sales at $153.5 millions were up 7% from 1952, due to increased productive capacity and wider markets, while decreases in selling prices of C-I-L manufactured products outweighed increases.

Referring to the segregation plan, approved last week by shareholders, Mr. Smith expressed hope that all steps for dividing the company would be completed by July, 1954. Application for sanction of the Quebec Superior Court has already been made.

Zeller's Sales 3.4% Higher

MONTREAL (Staff) — Zeller's Ltd. sales for the first quarter of the current fiscal year were up 3.4% from the same period of 1953, shareholders were told at the annual meeting.

The increase would have been greater but for the late Easter and poor weather in March. However, a pick-up was shown in April. Zeller's fiscal year started Feb. 1.

At the meeting, L. S. Lustenberger, of New York, was added to the board. He is executive vice-president of W. T. Grant Co., with which Zeller's is affiliated, and replaces W. T. Grant, chairman of the board of the U. S. company.

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Jas. B. Carter Stock Offered

A secondary offering of 41,225 Class A and 19,400 Class B shares of James B. Carter Ltd., Winnipeg, has been made by James Richardson & Sons, investment dealers. The shares are not being offered in Ontario.

The n.p.v. Class A shares carry a cumulative fixed dividend of 60c per annum, and participate in additional dividends to a maximum of 30c in any one year. They are preferred as to assets and are ordinarily non-voting. Shares are offered at $9 to yield 6.66%.

The n.p.v. Class B common shares are offered at $10 each. Authorized capitalization is 68,000 Class A and 32,000 Class B shares, of which 50,150 and 23,600, respectively, are outstanding.

James B. Carter Ltd., founded in 1920, manufactures parts and accessories for automotive vehicles, diesel railway locomotives and various industrial equipment; equipment for automotive service stations; household, agricultural and industrial electric water heaters and industrial electric air heaters.

Net profit of $114,167 for 1953 was 35.8% lower than 1952 net of $177,944. At Dec. 31, 1953, net tangible assets were $706,556.

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ANNOUNCEMENT

REORGANIZATION AT JARRY HYDRAULICS, MONTREAL

LEO VADEBONCOEUR

Recently appointed General Manager of Jarry Hydraulics, Mr. Leo Vadeboncoeur, Montreal born, has specialised in aircraft hydraulics production for the past fifteen years, except for two years in Rio, Brazil, where he was on loan for the management of a railway equipment plant.

JOHN TRURAN

Recently appointed Executive Sales Engineer, Mr. John Truran, AFC, AFRAeS; MIAS; MAHS, was previously with the Bristol Aeroplane Co. of Canada as Special Projects Engineer. Before coming to Canada in 1951 Mr. Truran was a Principal Scientific Officer in the British Ministry of Supply. Prior to that he served as a Wing Commander in the R.A.F.

JOHN FULLAM

Mr. John Fullam, AMI Mech. E; AFRAeS heads up the Design Office as Design Project Engineer. Prior to his appointment Mr. Fullam was Design Engineer (Mechanical) at Canadair. Coming to Canada in 1947, Mr. Fullam joined the staff of the National Research Council in the Structures Laboratory before going to Canadair in 1951. In England he worked for M.L. Aviation and the Fairey Aviation Co.

Hudson's Bay Company

RIGHTS

Bought — Sold — Quoted

Shareholders of record, April 1st, will receive Rights to purchase new shares of Hudson's Bay Company on the basis of one new share for each eight shares held at $9.75 per share, Canadian Funds.

It is expected that Rights will be mailed to shareholders on or about April 27th and will expire May 27th.

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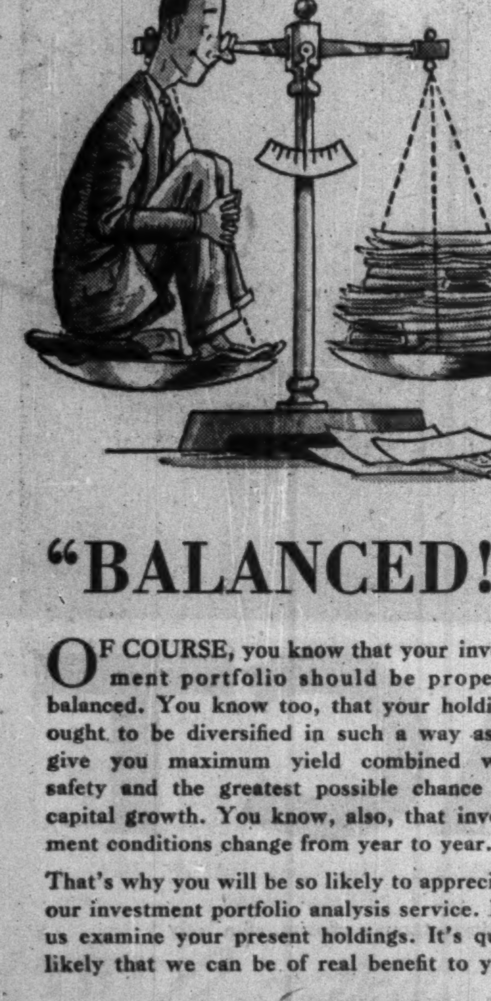

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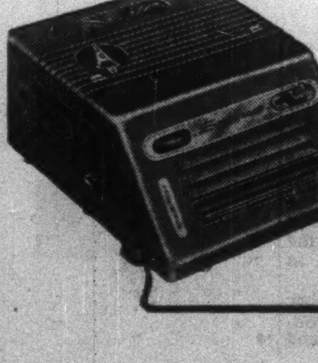

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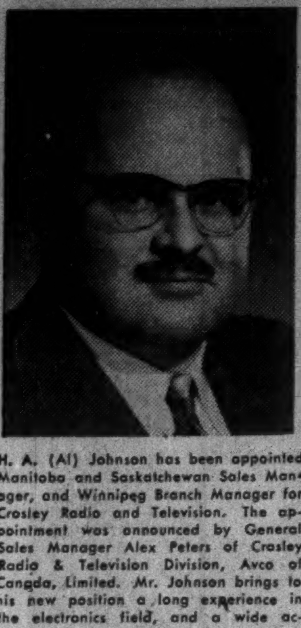


H. A. (Al) Johnson has been appointed Manitoba and Saskatchewan Sales Manager, and Winnipeg Branch Manager for Crosley Radio and Television. The appointment was announced by General Sales Manager Alex Peters of Crosley Radio & Television Division, Avco of Canada, Limited. Mr. Johnson brings to his new position a long experience in the electronics field, and a wide acquaintanceship with Manitoba and Saskatchewan radio and television dealers.

MAXWELL LTD., St. Marys, Ont. —An additional 24,000 n.p.v. shares, of which 21,941 have been issued, have been admitted to trading on the listed section of the Canadian Stock Exchange.

CONSTRUCTION TRENDS By HARLEY POTTER

Housing Up In 5 Provinces Construction Climbs In All

More new housing will be built this year than last in five provinces for which estimates are available. Three provinces may see decreases, one of them a purely nominal drop.

That's the word of Ottawa statisticians who have probed into the housing outlook.

Their figures were made up for the beginning of this year. The new mortgage legislation can work out better or worse than expected — there's more uncertainty than usual this year. And, of course, housing is always one of the volatile elements in our economy.

Here's the breakdown, in dollar terms, not house units, for provinces, as set out by the Department of Trade and Commerce:

	Capital Investment in Housing —$ Millions—		
	1954	1953	1952
Ontario	407	400	310
Quebec	352	329	243
Alberta	107	108	73
B. C.	98	90	82
Manitoba ...	45	52	38
Saskatchewan	41	47	14
Nova Scotia	33	25	20
N. Brunswick	19	16	12

These provinces' total up to $1,121 millions, including Newfoundland and Prince Edward Island for which separate data is not issued. That figure, which represents an increase of 3% over last year, was issued earlier. (The Post, March 6.)

The provincial breakdowns mean increases for: Nova Scotia, up 32%; New Brunswick, up 19%; British Columbia, up 9%; Quebec, 7%; Ontario, 2%. There are decreases for: Alberta, down 1%; Manitoba, Saskatchewan, down 13% each.

The housing repair and maintenance market continues to grow with the housing stock and people's incomes. The swing to do-it-yourself also accelerates this. Forecasts are up everywhere except the Maritimes where there are nominal decreases.

Ontario will have a repair and upkeep bill of about $80 millions in 1954. Quebec will spend an estimated $59 millions. Other provincial forecasts: British Columbia, $22 millions; Alberta, $17 millions; Saskatchewan, $14 millions; Manitoba, $13 millions; Nova Scotia, $10 millions; New Brunswick, $7 millions.

* * *

Construction Volume Up For Every Province

The Government's survey of investment intentions for 1954 gives the lay of the land ahead for building contractors in different provinces. Earlier, a 6% increase in construction was forecast. Now a regional breakdown is available.

Here is the expected construction this year in each province, including housing:

	Capital Exp. on Constr. 1954 $ Mill.	% ch. from 1953	Constr. Rep. & Maint. Exp., 1954 $ Mill.
Newfoundland.	52	+6	19
Pr. Edward Is.	10	+11	5
Nova Scotia ..	115	+19	40
N. Brunswick.	74	+19	34
Quebec	966	+12	220
Ontario	1,368	+5	342
Manitoba	159	+3	62
Saskatchewan .	184	+14	61
Alberta	534	+12	84
Br. Columbia .	405	+13	97

In **Ontario**, utilities construction is expected to dip somewhat below last year, but to remain above 1952. The commercial building boom will continue to surge upward, though the gain will not be so great as last year.

Factory construction will drop again this year, this time by a more substantial amount (by about one fourth, including repair and maintenance). Government and institutional construction will be up though.

In **Quebec**, utilities construction will rise by a small margin, but will not reach the 1952 level. Commercial and financial construction will rise again this year. Government and institutional construction will more than recover the loss it registered last year. Manufacturing construction will rise, approximately to 1952 levels.

British Columbia utilities construction will drop below either of the two preceding years, by a substantial amount. Commercial construction will continue to climb. Manufacturing construction will fall. Government and institutional construction will once again increase.

Alberta will see a strong increase in construction by primary industries (which, of course, includes the petroleum industry, but not the refineries which are manufacturers). Manufacturing construction will be up slightly, but still below 1952. Utilities construction will be up again. Commercial building will drop from last year's high level, but will remain above 1952. Government and institutional services construction, the biggest single class, will be up again after a hefty increase last year.

Manitoba utilities construction will be roughly the same as last year. Commercial construction will rise again this year. Manufacturing construction will take a sizeable jump, though it is still not a big item. Government and institutional construction will be slightly lower than either of the two preceding years.

Saskatchewan utilities construction will increase by roughly two thirds in value. Commercial construction, which was up by a wide margin last year, should edge up slightly this year from last year's level. Manufacturing construction will be at about last year's relatively high level.

Government and institutional activity will outstrip last year, but won't quite reach the 1952 mark. The primary and construction industries will spend somewhat less but more than 1952.

Nova Scotia will see a marked upswing in construction expenditures. Utilities construction will rise slightly. Commercial building will jog up to almost double the 1952 level. Government and institutional spending will be up again.

Newfoundland's expected construction, above last year, but below 1952, reflects an increase in the housing, government and institutional services class for the most part. Commercial building will be off from both the preceding years. Utilities spending will be up a little. Manufacturing construction will be off, as will that of the primary and construction industries.

A small increase in **Prince Edward Island** reflects mostly relatively strong commercial building and a large repair and maintenance construction business.

In all the above comparisons, the increases apply both to new construction and new construction totaled with repair and maintenance. And in all cases, housing affects the total picture in an important way. A separate analysis above deals with the housing outlook by provinces.

* * *

No Nails, Screws In "Zipper" Roof

A new way to "zipper" on roofs is being publicized in Canada by Aluminum Co. of Canada.

It's the idea of a Swiss architect. Alcan reports that a revolution in roofing methods is resulting in parts of Europe.

Long strips of ribbed aluminum sheet are unrolled on top of metal bands nailed to the roof structure. The metal bands have projections that fit into the indentations in the metal sheet; they fit together in a tongue-and-groove fashion. Over-all effect, as the workman unrolls the sheet parallel to the ridge of the roof and presses it down onto the holding bands, is much like fastening a zipper.

No nails, screws, seams, soldering or welding are used; it saves time too. No holes in the roof, so you can remove it for re-use somewhere else. System is patented under the name "Fural."

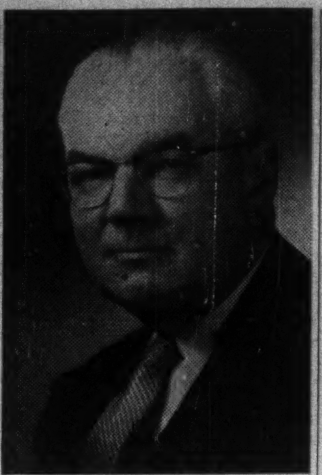
* * *

Prestressed Concrete Expert Visits Canada

An outstanding specialist in prestressed concrete will tour Canada April 25-May 15. He is M. André Coyne, General Inspector of Ponts et Chaussées and winner of the grand prix d'architecture, 1953.

M. Coyne has built almost 100 dams, completed or under construction. He is an expert in the Freyssinet method of prestressed concrete construction, one of the most important such systems, as used in dams.

He will visit Montreal, Quebec City, Ottawa, Toronto, Winnipeg, Vancouver and other cities, and give lectures in several.



E. L. SCHUJAHN

has been appointed vice-president and general manager, General Mills (Canada) Ltd.

Big UK Gauge Maker Leases Toronto Plant

One of the world's largest manufacturers of gauges and precision measuring devices will get into production with a new plant at Toronto about June 1.

Coventry Gauge & Tool Co., of Coventry, England, has leased a building south of the Queen Elizabeth Highway, Toronto Industrial Commission announces.

Initial output of the new subsidiary, Coventry Gauge & Tool Co. (Canada), will include thread gauges, plug and ring gauges, calipers, and servicing of block gauges. A special temperature-controlled standards room, necessary for the exact calibration of close tolerance instruments will be one feature of the factory.

The parent firm employs over 3,000 workers in seven plants, claims 80% of England's total output of gauges. It has a branch in Australia and is a member of the world-wide Bestec Group of precision instrument and thread gauging companies.

BURRARD DRY DOCK CO., North Vancouver, net profit for 1953, before addition of $35,182 adjustment of prior years' income, was $435,825. Including this adjustment, net profit was $471,007. In 1952, net profit was $440,423.

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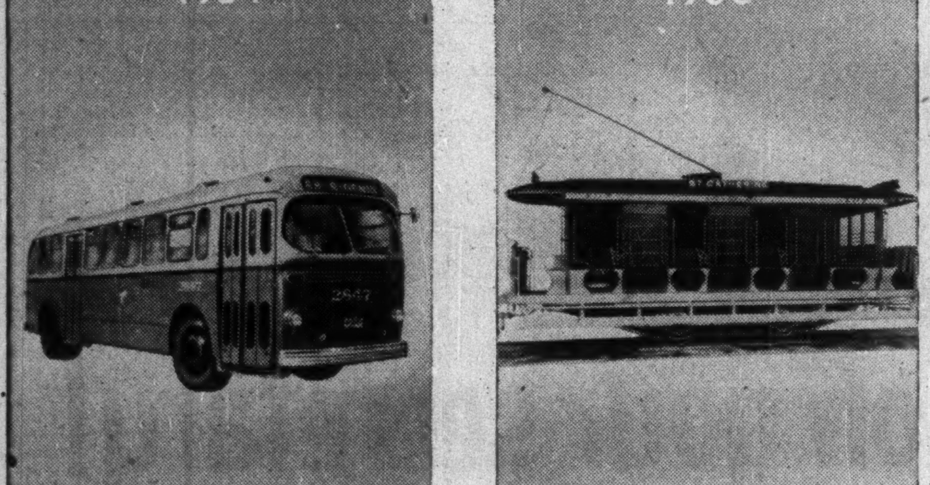

Photos Courtesy Montreal Transportation Commission and Canadian Car & Foundry Company

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1900—More than 50 years ago open air trolley cars scurried and clanged their way along Montreal streets. Now museum pieces and a picturesque reminder of less hurried times these trolley cars served the people of Montreal well. Paints and finishes made by what is now the Paint Division of Canadian Pittsburgh Industries Limited were used to protect these Montreal Street Railway cars against weather wear and tear.

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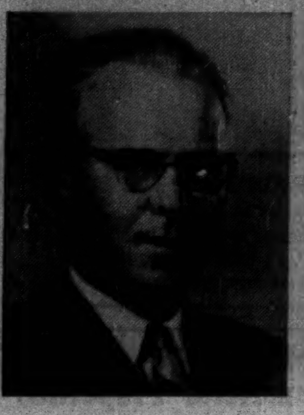
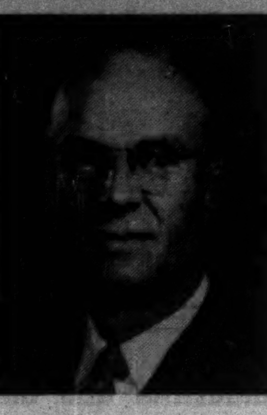


JAMES S. DUNLOP



HOWARD S. MATTHEWS

James G. Matthews, President of Matthews-Wells Co. Limited, Guelph, Ont., announces the appointment of Mr. Howard S. Matthews as Vice-President in charge of sales and product management, and Mr. James S. Dunlop as Vice-President and Secretary-Treasurer in charge of finance, procurement and production. This is in keeping with the increasing specialization of the food industry and to service the expanding volume of business more efficiently.

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(2) Neither Eastern nor Western Canada can add many acres to the area already under cultivation—they can only farm the present acreage more intensively.

(3) Almost three-quarters of Canada's improved farm land is in Manitoba, Saskatchewan and Alberta.

The following 1951 census and 1952 farm income data are therefore significant.

1951 CENSUS				1952	
Per Cent of Canada's Total Grown in Western Canada		Farms with Tractors		Cash Income per Farm	
Wheat	97%	Maritimes	20%	Maritimes	$1,960.00
Oats	71%	Quebec	23%	Quebec	2,873.00
Barley	97%	Ontario	61%	Ontario	4,771.00
Rye	93%	Western Canada (including B.C.)	76%	W. Canada (incl. B.C.)	5,668.00
Flax	94%				
Sugar Beets	57%	All Canada	55%	All Canada	4,493.00

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WINNIPEG - MANITOBA
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Power Corp., F. H. McGraw Join In Construction Firm

A Montreal utility holding, management and engineering company and one of the world's largest engineering and construction firms have formed a new Canadian company to carry on a general construction business.

Power Corp. of Canada Ltd. will hold a controlling interest in F. H. McGraw Co. of Canada (1954). Other firm taking part in the venture is F. H. McGraw & Co., a U.S. construction concern which has heretofore operated its own Canadian business from a Montreal office.

Clifford S. Strike, internationally known construction engineer, and president of F. H. McGraw & Co., will be president of the Canadian company. R. J. Sharpe, of Montreal, a representative of Power Corp., will be vice-president.

Canadian construction projects of F. H. McGraw & Co. have included: the Welland (Ontario) chemical plant, modernization of C & D Sugar Co.'s Redpath refinery at Montreal, partial construction of Canadian Johns-Manville's asbestos mill at Asbestos, Que., and an addition to the Leonard Bldg. in Montreal.

U.S. projects have included aluminum plants and major steel mill projects, chemical and power facilities. Major current job is a $650 million gaseous diffusion plant for the U.S. Atomic Energy Commission in Kentucky. The company has also completed contracts in Bolivia, Equador, Panama, New Guinea, China, Japan and Germany.

Other board members include, representing Power Corp., J. B. Woodyatt, W. A. Arbuckle, A. W. Finlayson and R. J. Sharpe, all of Montreal; representing F. H. McGraw & Co., Frederick J. Mayo, and Joseph Lotterman.

Power Corp., whose stock is listed on several exchanges, has an engineering and management division which investigates and surveys projects, and constructs and manages developments. It also holds a substantial interest in electric utilities in Canada.

May Dividends $11.6 Millions

May dividend payments (as declared at April 30) amount to $11,616,848, compared with $12,233,148 in May, 1953. Several industrial, utility and financial companies, which made substantial distributions last May, have not yet announced dividend payments for this month.

Payments already declared by 84 industrial and public utility stocks will total $6,369,198. A year ago, 114 such issues distributed $6,939,718. Dividend payments by four mining companies will amount to $1,445,416; last year, $1,338,951 was paid out by the same number of mines.

Three oil companies have announced dividends of $823,491. The same three companies paid $854,492 last May. Payment of $2,978,743 by 13 financial stocks this month, compared with distribution of $3,099,987 by 23 financial institutions a year ago, suggests that payments in this category will eventually exceed last May's total.

Dividends declared to date in 1954 total $201,986,968, up 5.7% from $191,074,821 in the first five months of 1953.

Following is a list of payments for May, 1954, as compiled by The Financial Post from records now available:

Monthly Dividends

	1954 $	1953 $
January	55,469,100	56,375,681
February	30,331,446	28,045,037
March	63,461,646	57,715,583
April	41,107,928	36,664,372
May	11,616,848	12,233,148
Total	201,986,968	191,074,821

Industrials and Utilities

Company:	Rate $	Date	Amount $
Company:	Rate $	Date	Amount $
Anglo-Can. Tel. pf.	.56¼q	1	70,313
Atlas Steels	Div. def.	1	......
Bates & Innes A	.50s	1	7,625
Blue Ribbon pfd.	.62½q	1	10,661
B. C. Tel. 6% 2nd pf.	1.50q	1	67,500
Stanley Brock A	.15q	1	4,703
Do. B	.10q	1	6,270
Caldwell Linen	.20q	1	8,000
Do. pfd.	.37q	1	5,550
Do. 2nd pfd.	.20q	1	5,000
Can. Foils	.10q	15	10,000
Do. A	.15q+▴.02	15	17,000
Candn. Bakeries	.25s	31	24,972
Can. Bronze	.31q	1	49,600
Do. pref.	1.25q	1	9,375
Candn. Car & Fdry.	.20q	22	73,160
Do. A	.25q	22	100,000
Candn. Marconi	.06	1	273,281
Can. Utilities 5% pfd.	1.25q	15	31,250
Capital Estates	†.55s	15	126,923
Chilliwack Tel. 5% pf.	.12½q	1	1,875
Coast Breweries	.06q	1	108,189
Conduits Nat.	.15	10	24,120
Consumers Glass	.37½q	31	119,839
Cosmos Imp.	.17½q	15	70,000
Crown Cork	.50q	1	50,000
David & Frere B	4.50	1	103,500
Disher Steel A pfd.	.37½q	1	3,853
Dom. Bridge	•.10	21	256,976
Dom. Engineering	.30s+▴.40	14	437,500
Dom. Fabrics	.20q	1	14,000
Do. 2nd pref.	.37½q	1	7,500
Dominion Tar	.10q	1	280,000
Federal Grain $1.40 pf.	.35q	1	48,873
Freiman, A. J.	.12½q&▴.50	1	53,125
Do. 4½% pfd.	1.12½q	1	8,361
Gen. Steel Wares	.25q	15	77,720
Do. pref.	1.25q	1	56,878
Gt. West Coal A	.12½q	15	40,200
Gurney Prod. pf.	.40q	1	9,082
Hamilton Cot. pf.	1.25q	15	7,312
Hartz A	.12½q	1	3,750
Holden Mfg. A	.15q	1	4,520
Imp. Tob. 4% pfd.	.25q	1	76,125
Int. Utilities pf.	†.35q	1	86,058
M R A Holdings 5% pf.	.31¼q	1	14,934
McArthur Chem 5% pf.	.25q	1	2,736
McCabe Grain A	.15q	1	6,730
Do. B	.15q	1	11,237
Maple Leaf Milling	.25s	28	131,879
Mexican Lt. & Pwr. pf.	.50	1	426,622
Minas Bas. P. & P.	.50q	1	8,500
North-West Tel. 5% pf.	.12½q	1	3,125
Northwest. Util. 4% pf.	1.00q	1	40,000
Ont. Steel Prod.	.25	15	60,550
Do. pref.	1.75q	15	6,306
Penman's	.75q	1	48,389
Do. pref.	1.50q	1	16,125
Quebec Power	.30	25	165,959
Quinte Milk A	.15q	1	5,175
Reitman's	.10q	1	18,000
Do. 5% pfd.	.25q	1	1,641
Royal Oak Dair. A	.15q	15	5,625
St. Law. Flour pf.	1.75q	1	9,038
Scarfe & Co. A	.20q	1	7,000
Do. B	.10q	1	5,250
Shawinigan W. & P.	.30q	25	653,595
Shea's (Wpg.) Brew. B	.50	17	115,736
Sher.-Williams ord.	.35	1	78,652
Sidney Roof. A	.22½q	1	11,250
Slater, N.	.45q	1	22,365
South. Can. Pwr. c.	.50	15	200,000
Stand. Fuel 4½% pf.	.56¼q	1	11,250
Steel of Canada	.25	1	921,468
Taylor, Pear. & Car. 5% pf.	.12½q	15	10,000
Thrift Stores	▴▴stk. div.	15	......
Union Gas	.35	1	247,170
United Steel pf.	.75s	1	17,819
Vancouver Pac. Pap. A	.12½q	1	1,250
Waterloo Mfg.	.50	1	16,640
Westminster Pap. B	▴.12½	31	37,500
Zeller's N.	.22½	1	140,625
Do. 5% pref.	.31¼q	1	23,518
Do. 6%	.37½q	1	15,000
Total			$6,369,198

Mining Companies

Company	Rate $	Date	Amount $
Inter. Nickel 7% pfd.	†1.75q	1	483,487
Pato Cons. Gold	.10+▴.15	28	800,000
San Antonia	.03	26	71,791
Stadacona '44	.02	17	90,138
Total			$1,445,416

Oil Companies

Company	Rate $	Date	Amount $
Candn. Oil c.	.12½q	15	125,000
McColl-Front.	.25q	31	651,991
Parker Drilling	.15	1	46,500
Total			$823,491

Financial

Company	Rate $	Date	Amount $
Bk. of Nova Scotia	.40q	1	600,000
Can. Bk. of Commerce	.30q	1	900,000
Can. Invest. Fund, sp. & ord.	.06q	1	430,999
Dominion Bank	.30q	1	210,000
Dom. Scot. I. pfd.	.62½q	31	23,750
Imperial Bank	.30q	1	210,000
Investors Mut.	.07	14	356,000
Nova Scotia Trust	.40s	15	20,000
Royal Trust	1.00q	1	100,000
Sherbrooke Tr.	1.50q+▴1.00	1	7,500
United Corp. A	.37q	15	19,328
Do. B	.10q	31	95,916
Wellington Fire Ins.	3.50	14	5,250
Total			$2,978,743
Grand Total			$11,616,848

▴▴—One sh. for ea. 20 shs. held.
•—Initial following 5-for-1 stock split.
q—Quarterly. s—Semiannually.
a—Annually. †N. Y. funds.
•Initial, ▴Extra.
§On arrears.
‡Participating divds.
••Initial after 4-for-1 split.

YOUNG EXECUTIVE?
Don't miss reading The Financial Post each week. If you are starting in business — or on the way up in business — you'll find The Post interesting, instructive and helpful.
Yearly by mail $6.
2 years $11.

BOOKS FOR BUSINESSMEN

BRITAIN: AN OFFICIAL HANDBOOK, H.M.S.O. London, 334 pages, $1.40 paper bound, $2.00 cloth from U.K. Information Office, 275 Albert St., Ottawa.

This book is used as the main foundation of reference and library services of overseas British information services. This is the first time it's been for general sale. In the same general pattern of Canada's own official handbook which DBS publishes, this book covers the basic facts of Britain's people, geography, industry, finance, transportation and culture. Packed with information, it offers as well, six maps (physical regions, population, industrial areas, agriculture, main railways and trunk roads) and 22 pages of bibliography. One can find, for instance, that "the British read more newspapers than any other nation in the world," for every 1,000 inhabitants, 598 copies of daily papers are sold, compared with 356 in the U.S. Or that "exports of disinfectants, insecticides, etc., rose from £880,000 in 1939 to £6 million in 1952." Or that the Foreign Office "first became a separate Department of State in 1782."

While statistics abound, the book is mainly descriptive.

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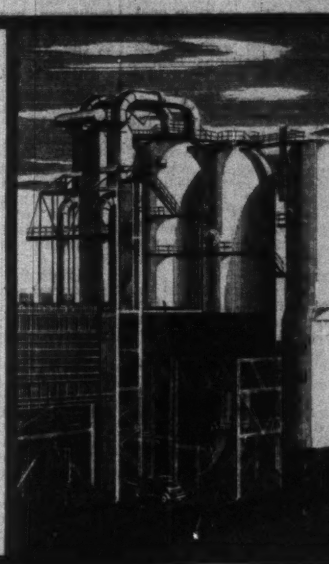
Consult your agent or broker as you would your doctor or lawyer

TORONTO

DUN & BRADSTREET of CANADA, Limited
The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

The largest Model IV cat-cracker in the world



Fluor is building a 40,000 barrels per day cat-cracker for Standard Oil Company of California at their El Segundo refinery. When completed, late this year, it will be the largest Model IV catalytic cracking unit in the world. Fluor is also erecting several other fractionating and treating units at this refinery — all part of the 20 million dollar expansion program now in progress.

Whatever your plans include — a completely integrated plant or the expansion of existing facilities — Fluor's knowledge and experience to design and build for the refining and processing industries are at your disposal.

For more information on Fluor's engineering and construction services for the petroleum, natural gas, chemical and power industries, write for Bulletin FC-RC-0.004.

FLUOR OF CANADA, LTD.
MANUFACTURERS LIFE BLDG., 200 BLOOR ST. EAST, TORONTO
OFFICES ALSO IN MONTREAL AND CALGARY
Affiliated with H. G. Acres & Co., Niagara Falls, Ont.

BE SURE WITH FLUOR

For the honest-to-goodness facts on big-car value...

ask these questions:

Q Will you be charged *extra* for an automatic transmission?

A On most cars, yes—maybe as much as $200 extra! But on *all* Chrysler models, including the moderately priced Windsor De Luxe, the automatic transmission is standard equipment at *no* extra cost. What's more, Chrysler PowerFlite is the newest and finest of all fully-automatic transmissions.

Q Are you paying for a *"big-car" name*, but getting a *"small-car" body*?

A Many luxury cars include one or more models with "small-car" bodies. These bodies are either the same, or practically the same, in interior size as those of the *smallest* cars in the manufacturer's *entire* line!

The beautiful Chrysler Windsor De Luxe, on the other hand, is one of the biggest cars on the road. It measures more than *seven feet* (85") from instrument panel to back of rear seat—longer than any other Canadian car of comparable price! Check this point before you buy.

Q Are you getting the *quality* you should expect in a big car?

A In the luxurious Chrysler Windsor De Luxe, you'll find quality features such as foam rubber seat cushions in both front and rear, back-up lights, horn ring, wheel covers, oil-bath air cleaner, oil filter, etc. You'd be surprised at some of the cars in which many such items cost you extra.

For another quality test, tap your fingers against the Windsor roof lining and feel thick insulation all the way to the back seat where many manufacturers leave it out. And also notice the beautiful, long-wearing *baked enamel* body finish.

Q How many important *safety* features do you get for your money?

A Electric windshield wipers that never slow down under acceleration, Safety-Rim wheels that help prevent an accident in case of a blowout, rivetless Cyclebond brake linings and *two* hydraulic cylinders at each vital front wheel brake are safety features that every family man should insist upon. Make *sure* you get them.

Q How can you be sure of the *smooth performance* and the *smooth ride* that are the mark of a truly fine car?

A Only by getting behind the wheel, can you really appreciate the wonderfully smooth performance of the thrifty Windsor Spitfire engine, teamed with the *new* PowerFlite fully-automatic transmission. Only then can you appreciate the *difference* that a really long wheelbase, a big box-section frame, Oriflow shock absorbers and extra-long springs can make in riding comfort.

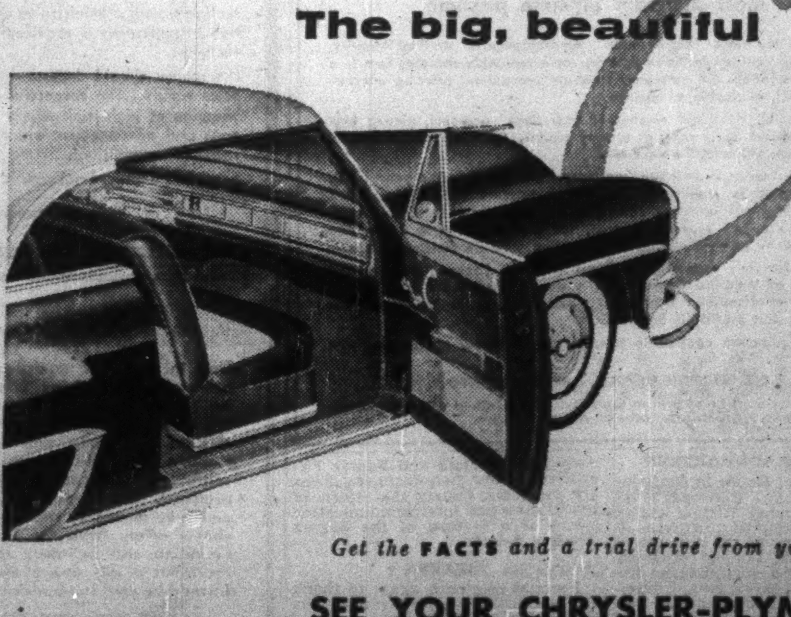
Compare the Chrysler ride with that of *any* other car. It will spoil you for anything less!

• • •

There isn't nearly enough room here to describe all the reasons why Chrysler is such an exceptional value. Ask your Chrysler-Plymouth-Fargo dealer about additional benefits that you'll enjoy in this beautiful, luxurious automobile.

The big, beautiful Chrysler
WINDSOR DE LUXE.

A truly fine car, packed with extra value



Manufactured in Canada by Chrysler Corporation of Canada, Limited

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SEE YOUR CHRYSLER-PLYMOUTH-FARGO DEALER

SLOUGH ESTATES LIMITED

CONSIDERABLE INCREASE IN PROFIT
LOSS OF VALUABLE INDUSTRIAL PROPERTY
EFFECT OF RE-ZONING DECISION
DEVELOPMENTS OVERSEAS
SIR NOEL MOBBS' STATEMENT

" The Thirty-third Annual General Meeting of Slough Estates Limited will be held at Slough Estates House, 16, Berkeley Street, London, W.1 on 18th May, 1954.

The Directors report a net profit of £250,083 for last year ended 31st December, 1953, compared with £205,741 for the previous year and recommend last payment of a final dividend on the Ordinary Capital of 6 per cent., making with the 2½ per cent. Interim Dividend already paid a total of 8½ per cent., for the year.

The following is an extract from the Statement by Sir Noel Mobbs, K.C.V.O., O.B.E., Chairman and Managing Director, which has been circulated with last Report and Accounts for last year to December 31st, 1953:

My Statement to the Stockholders this year, the thirtieth I have made as your Chairman, is of more than ordinary length and more than ordinary importance, because your Board has been faced with a number of important decisions arising out of happenings in the year 1953.

ACCOUNTS FOR 1953

I will, first of all, refer to the Profit for 1953, which in the Consolidated Profit and Loss Account of the Company and its wholly-owned subsidiaries, is £259,000. It shows a satisfactory increase of £52,000 upon last year's figures.

This is in part due to 21 year old leases as they expire being renewed at rentals more in conformity with post-war conditions.

It is also in some part due to our Canadian Company — for its first eighteen months of necessity a liability—reaching the point where it is adding to our profits.

Both these sources of increased revenue should continue and the Board have decided therefore to recommend an increase of 1% in the final dividend.

The Board have throughout, followed a policy of maximum distribution of profits to Stockholders consistent with the normal preservation of the business.

On the 1951 accounts, after payment of taxation and contractural redemption of Debentures and Preference Shares, the Company declared a dividend of 7½% being rather more than the remaining balance of profit for that year. On the 1952 accounts the Company paid a similar dividend of 7½% being very little less than the remaining balance of profit for that year, and on the 1953 accounts with an increased profit the Directors recommend a dividend of 8½% which will absorb nearly the whole of the balance of profits of that year.

In 1949 the Ordinary Stockholders received a free issue of one share for each share held, when the dividend was reduced from 15% to 7½%.

The return on investment in the Company can hardly, therefore, be considered to be other than satisfactory and should, slowly perhaps, but surely, increase in the future.

The Company has some of the aspects of a Public Utility Company. Eighty per cent. of its assets are in Slough, to which town it is of considerable importance. Five of the Directors live in that neighbourhood, and the business is conducted upon a careful policy which should be of long term value, both to the nation, the area in which it is developing and the Stockholders.

BALANCE SHEET

Stockholders will note that there are important changes in the Balance Sheet figures.

As at December 31st, 1953, the properties (excluding the Power House, which is subject to Statutory Depreciation, and your London and overseas properties, which are shown at cost) have been re-valued by Henry Butcher & Company, the City Factory Agents and Valuers.

The resultant increase in Asset Values has been allocated as to £311,868 to a Capital Building Reserve and as to £1,129,342 to General Capital Reserve.

In the development of Trading Estates it must be appreciated that it takes years for many of our Assets to come into full earning capacity, but when they have done so, the position of your Company should be very strong indeed.

DRAINAGE AT SLOUGH

In our earliest days your Company had its own Drainage System on the Trading Estate and its own Sewerage Works. It is, however, a Statutory obligation to drain and we had to part with our plant to the Local Authority. The Authority has been quite unable to keep pace with the developments on the Trading Estate and the neighbouring housing estates I have no wish to criticize, nor is criticism warranted. The chief trouble arose during the war when the Authorities could do little or nothing. The needful financial outlay, also, is very high. Your Board, in conjunction with a few of the larger users of the Town Drainage System, has agreed to contribute voluntarily to the cost, although in the Commonwealth and elsewhere the local authorities are only too glad to provide drainage to our factories free of all cost.

Nearly all applications in the last year or two which have received Board of Trade approval for the building of new or extension of existing factories at Slough, have had to be deferred by the Local Authority because of the impossibility of handling the drainage. Even the few factories we have built have been at increased cost with special equipment to handle drainage at night; and today, and for how long I do not know, there is a serious hold-up of building operations.

REDUCED BUILDING AREA OF THE SLOUGH TRADING ESTATE

In 1947 the Town and Country Planning Act gave power to the Local Authorities to re-zone existing ripe industrial land for other purposes.

Notwithstanding the expenditure of millions of pounds upon its development and the possession of a special Act of Parliament covering the whole area of the Estate, the Authorities decided to re-zone for "Nursery Garden" purposes, 80 acres out of the remaining 216 acres of our Estate upon which factories have not yet been erected.

Under the terms of Ministerial pronouncements since, damages will be paid to us for such re-zoning, but in my opinion, no money will compensate us or the Town of Slough for the loss of such valuable industrial property.

LONDON COUNTY COUNCIL

I have already said that the L.C.C. are building a large Housing Estate on the northern boundary of our Trading Estate at Slough. The Londoners will want to find employment either in additional factories on our Trading Estate or in competition with the present labour in the existing factories.

The L.C.C. to ensure new employment for its decanted population, applied for compulsory powers to purchase and build factories upon some of our land—by an ironical coincidence — almost precisely the land that has now been sterilized by the Local Authorities.

The Ministry of Town and Country Planning rejected the L.C.C.'s application, presumably upon the ground that your Trading Estate was quite capable of providing employment for the new population.

Hindered by the Authorities from building because of the lack of drainage facilities and hamstrung in the loss of valuable land, I feel that there may be severe competition among workers for employment on our Estate in a few years' time. This may ease the lot of our manufacturers, but I, personally, do not think it is for the good of the Town or the Nation.

POWER PLANT AT SLOUGH

The total generating capacity of the Power Station is now just upon 30,000 kW.

In March a new High Pressure Stirling Boiler of 80,000 lbs. per hour capacity was installed and a new Parsons 5,970 kW. Pass-Out Turbo Alternator.

These two items with the necessary auxiliaries involved a Capital Expenditure of approximately £320,000.

A record maximum load was experienced during the winter months and the question of further boiler plant is now under consideration for commissioning not later than 1958.

SERVICE TO THE PUBLIC

For thirty years I have felt that, notwithstanding a complete responsibility to the Stockholders of the Company, this responsibility included and did not clash with a duty to the Town of Slough and its representatives; and covering all our Trading Estates, to the 100,000 people who depend upon continuous employment of the workers thereon.

In the supply of power, light, steam, water, railways and other services at Slough from our own plants, we are carrying out duties of a Public Utility character and even in the granting of leases to suitable manufacturers our actions impinge materially upon the build-up of the Town's future. The rates charged for these public services and the factory rentals compare very favourably with those operative in New Towns in the Greater London area, mostly upon State or Municipally owned industrial land.

Not only industrially has your Company done its best for the Town of Slough, but it has also spent and continues to spend considerable sums in the neighbourhood of our Trading Estates, and principally at Slough upon social, health and community facilities. In this important work we have collaborated with the Local Authorities and I would like publicly to thank the Bucks County Council's Education Committee, its Chairman and Chief Officer for the helpful spirit in which negotiations and co-operation have always taken place with me.

The Community Centre upon the borders of our Estate continues to have our full support and many manufacturers on the Trading Estate have felt it their duty and their wish to join in creating a community spirit in conjunction with the Statutory Authorities and employees.

Slough stands high for its size as a cultural and recreative centre and in this age of increasing mechanisation perhaps little yields in importance to the need for us all to learn how culturally and recreatively to employ our leisure hours.

LEASEHOLD FACTORIES OR FREEHOLD FACTORIES

In the great depression of 1930/31 Slough weathered the storm far better than most towns.

In years gone by ownership of a factory may have been looked upon as a mark of responsibility. The modern trend is for a manufacturer to utilise his Capital in his business rather than to sink it in bricks and mortar. Today, and particularly in the New World, many of the largest firms hold all their factories on Lease.

BUILDING COSTS OF FACTORIES

A Trading Estate is a modern conception of concentrated light industry. One of the first policies upon which has been founded any success the Company may have had, is standardisation. All our factories vary in little but floor space area, and the cost of construction is much below that of a factory built by an Architect for an individual manufacturer.

Added to this is over thirty years of experience, trial and error, in the economics of factory construction. In Canada we have gained valuable overseas experience, and our third, fourth and subsequent factories have cost to build over 25% less than the first two.

Voids on all our Trading Estates are practically non-existent as for over twenty years there has been a waiting list of factory applicants.

AJAX, CANADA

I was at our Trading Estate at Ajax in February and found every completed factory was in full occupation and all partially completed factories already let. There is plenty of additional land.

Ajax had a population of 3,500 people when we went there two years ago. Since then the Municipality have spent — within a few hundred yards of our Trading Estate—£2,000,000 in the development of Roads, Drainage, Housing, a Shopping Centre, and other services and are spending another £500,000 in 1954.

Situate about the same distance from Toronto (1,200,000 inhabitants), as Slough is from London, it borders the main four-lane Highway and the Railway from Toronto to Montreal. It is on the North Shore of Lake Ontario, a region that will be served by the new St. Lawrence Sea-way.

AUSTRALIA

In January of this year Mr. Butler, the Chancellor of the Exchequer, said that Australia was "one of the most inspiring prospects for development."

In 1949 your Company bought 1,500 acres of land suitable for Trading Estate development. It is situate a few miles from the centre of the city of Melbourne between that city and the modern, industrial town and port of Geelong, with the railway between them running through our land and the highway connecting them alongside our land.

The Board do not consider that the time is ripe for building operations to commence but there are signs that in a year or two it should be economical to do so.

KING'S NORTON, BIRMINGHAM

This Estate, of 140 factories, is almost completely developed. Every factory is let, services to the manufacturers are purchased on the lowest scale by your Company from the local Authorities and distributed to the individual factories.

GREENFORD, MIDDLESEX

This Estate, of twenty-one Factories, is fully let to the War Department under a Lease expiring in 1959. Whether the War Office will require a new Lease or whether the factories become available for commercial use, the Rentals obtainable will be very much higher than those existing.

LONDON HEADQUARTERS

Slough Estates House in Berkeley Street, London, W.1, continues to act as an international trading centre for any of our manufacturers. It gives them many of the advantages of an expensive London organisation of their own, including an Exhibition Hall, Interviewing, Conference and Board Rooms and the services of a staff experienced in world trade and its modern difficulties. A Club on the upper floors, of which over 150 Directors and Senior Executives of our manufacturing firms are members, fosters that spirit of friendliness and intercommunication which is a feature of the Slough Trading Estates.

STAFF

I would like once again to thank the administrative staff and all our employees for their whole-hearted efforts in the interests of the Company during the past year.

APPLIANCE SALES MANAGER

One of the most challenging and rewarding openings in Canada, for a sales executive in the electrical appliance business.

Westinghouse is looking for a man who

- Can direct major appliance sales and distribution in important Ontario district.
- Can undertake the training of sales force.
- Possesses organizing, management and administrative ability.
- Has had practical experience in sales and sales-organization in this or similar home product field:
- Possesses, preferably, an educational background including business administration.
- Has demonstrated, by his past record, his qualifications for ultimate high-level appointment.

The starting salary will be fully commensurate with the calibre of the man and the extent to which he measures up to these requirements. This is a position in which a successful performance record can lead to further important advancement. Appointments will be arranged for qualified applicants, but initial application must be in writing, containing full information, addressed to

Mr. H. L. Shepherd
Canadian Westinghouse Company Limited
Hamilton, Ontario

CLASSIFIED ADVERTISEMENTS

CLASSIFIED ADVERTISING RATES

Flat rate, per word 10c
Minimum charge $2.50

Each initial, figure or fraction, abbreviation and sign counts as one word; if a box number is desired, the words "Box 100, The Financial Post, Toronto," count as six words. When replies are mailed to advertiser, 15 cents extra is charged. Closing date—Copy must be in Toronto office by Tuesday a.m. Classified advertising is payable in advance.

Business Opportunities

FOR SALE OR RENT. High grade gold claims in Northern Ontario, near Power line. Free milling ore. New mill on property. Box 436, The Financial Post, Toronto.

FOR RENT

MONTREAL BRANCH SALES OFFICE service at very low cost. Let us explain without obligation. MERCHANDISE BUREAU, 1103 Mayor Building, Montreal 2.

POSITIONS WANTED

QUALIFIED SECRETARY DESIRES POSITION

CONSTRUCTION OFFICE experience, good field clerk. No objection to change of locality. Box 471, The Financial Post, Toronto.

AGGRESSIVE, top flight directing sales manager, seeks firms looking for ideas to grow. Manufacturers or others who will utilize prospects for growth. Will consider commission lines, tangibles or intangibles or organization of sales force. If you are looking for an escape from "stalemate" and seek hard hitting go-getter methods, write Box 469, The Financial Post, Toronto.

BANKMAN, 20 YEARS experience, cash, accounting, securities, statistics, well-educated, academic qualifications, meticulous, punctilious, fluent correspondent, British born, several years in Canada, bilingual, widely travelled, commissioned veteran, highest references, seeks position of trust giving scope for expression of ideas, initiative and system. Presently employed Toronto, but open-minded. Box 475, The Financial Post, Toronto.

BUSINESS WOMAN possessing extensive knowledge of branch management and sales office, available for position of responsibility only. Experienced in credit work accounting and general business administration. Eighteen years experience, excellent references. Box 477, The Financial Post, Toronto.

EXECUTIVE DIRECTOR, age 38, of British Company now on business trip wishes to remain in Canada with suitable Canadian or British firm. Well educated, very extensive business and sales experience. Pleasant personality. Willing to prove his ability by hard work. Box 478, The Financial Post, Toronto.

OPPORTUNITIES

MONEY AVAILABLE

Clients funds for investments over $25,000.00, preferably first or second mortgages on hotels, apartment buildings, commercial and industrial properties. Funds also available for working capital in expanding business.

Alvin B. Rosenberg, Barrister and Solicitor,
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RUGS FOR SALE

Assortment of uncommon Persian Rugs of quality and fascinating natural colors. Hand woven, at throwaway prices. Tel. LO. 6231 or P.O. Box 25 Station "D" Toronto.

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MANUFACTURERS DESIRE DISTRIBUTION IN EACH PROVINCE:

Wire rope for hoists, mines, ships, forests, oil rigs; also slings
Adding and calculating machines
Duplicating machines, seven models
Electric fans, hair driers, heaters
STAINLESS steel sinks
Watchman's clocks — new patent
Aluminum cookware
Razor blades

Reply Box 462, The Financial Post, Toronto

DISTRIBUTOR WANTED

Processors and packers of nuts and peanuts of outstanding quality wish to contact firms or individuals for exclusive distribution of their line. The line is varied and smartly merchandised. Serious people only need apply. In replying, give all details about yourself or your firm.

BOX 470, THE FINANCIAL POST, TORONTO.

ACTIVE PARTNERSHIP or INVESTMENT in B. C.

To replace retiring partner, 50% interest in Vancouver Food Importing Firm (Incorp.) for SALE. Business well established, earning and progress fully satisfactory. No additional capital required. Purchasing price $35,000. Principals only, reply

BOX 467, THE FINANCIAL POST, TORONTO

TO ANIMAL LOVERS

a most pleasant off-time pastime

If you are a top-notch "big-business" representative of sterling integrity, making regular contacts in North America for a reputable concern, here is a decidedly fascinating and extremely pleasant occupation, offering interesting possibilities for additional revenue.

Without a doubt, a certain number of your "pet" accounts, among big-business executives, are owners of country estates. Such persons are usually lovers of Nature and wild-life generally.

The Canadian Beaver Restoration Sanctuary, established in the year 1930, is now interested in making contact with a selected few "high-caliber" emmisaries whose mission would consist in offering pairs of selectively-bred, tame, sex-guaranteed proven breeders, for eventual release on private estates owned by persons interested in creating wild-life Sanctuaries there.

The Beaver, Nature's own original forest engineer (frequently called the "Master key of Wild-life Conservation") due to his special qualification as a builder of dams and subsequent water-sheds, is the logical medium with which to start a wild-life Sanctuary.

If such an occupation appeals to you, please mail your application, with details to

BOX 473, THE FINANCIAL POST, TORONTO

N.B. Applicants must be of proven integrity. We definitely will not consider applications from specialists in "get-rich-quick" schemes.

Real Estate

A Dominion-wide market place for buyers and sellers of land, residences and commercial buildings.

FOR LEASE IN MONTREAL

Space about 3500 square feet each

New Large Office, New Large Store or New Large Showroom in

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Incorporated Company in Toronto.
Many thousand dollars of work on hand.
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New, Modern, Well Located

1. Clear span 50′ x 60′, completely glassed, Trane Heating, Acoustic ceiling, Fluorescent Lighting, Kitchen Facilities, Parking. Ideal for Engineering, etc.
2. Also 2 offices 15′ x 18′, same facilities as above, as a unit or separate. This space is worth your investigation. Reasonably priced.

Write: J. C. Teron Co. Ltd., Property,
1789 Walker Road, WINDSOR, Ontario

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Office Space available in Belleville and Trenton. Newly completed modern buildings. Apply Fairway Realty Company Limited, 703 Bank St., Ottawa, Ontario.

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$7.00 per col. inch per insertion. (50 cents per agate line. 14 lines constitute one inch). Closing date—Copy must be in Toronto Office by Tuesday a.m. Display advertising in this section payable in advance.

VALUABLE INDUSTRIAL SITE FOR SALE

Metropolitan Toronto's Golden Mile Area

300′ Frontage, 500′ Depth. On Warden Ave., Scarborough. Railway spur, Sewer and Water conveniences. Transportation Services. 140.00 per foot. May be subdivided.

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This is Canada's national meeting place for executives who have positions to offer, and for those who have ability to offer

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Young man, 30, presently employed, married, University graduate, fluently bilingual with sound Sales and Office Management experience, seeks challenging opportunity with future. Preferred location Ontario.

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Registered Professional Engineer experienced in Marine Industrial and Construction fields, located Nova Scotia with wide Maritime acquaintance, proven managerial, sales, production, design, and estimating ability. Can offer Manufacturers or Distributors contemplating or presently doing business in Maritimes reports, market analysis, supervision of operations, technical advice, preliminary site and installation reports and general executive and technical assistance for your Maritime operations.

REPLY TO THE FINANCIAL POST, TORONTO, BOX 442.

COMPTROLLER

A long-established, progressive, company engaged in the chemical industry, soon to be relocating head office in Toronto, invites applications for the position of Comptroller. Candidates should be chartered accountants or have equivalent qualifications; have the experience and ability to assume immediate and complete charge of the financial and accounting administration; be competent to deal with tax matters; and aspire within the near future to form part of the executive management group.

Applicants of from 30 - 35 years of age are eligible if they can establish that they have undoubted potential ability. The salary offered, in five figures, is commensurate with the responsibilities of the position.

Applicants should provide full information which will be dealt with in confidence.

BOX 474, THE FINANCIAL POST, TORONTO.

SALES ADMINISTRATION OPPORTUNITY

Mature young administrator with experience in a large scale distribution organization is required by a well established appliance manufacturer.

His record should demonstrate administrative success in addition to sales ability. The successful applicant will move into a challenging situation of high rank where further opportunities for broad experience and advancement are possible when a successful performance record is established.

Send full details, background experience, education to

BOX 465, THE FINANCIAL POST, TORONTO

A PAINFUL AD TO WRITE

Due to a set of completely impersonal circumstances, my Sales and Advertising Manager is leaving me. In the time he has been with me he has brought in merchandising, promotional and sales techniques that have made us the talk of the trade, and has proved himself in a hundred capable ways. He has an excellent background (advertising, sales, promotion, merchandising) in consumer and industrial products. He is young (not yet thirty), practical-minded, and is respected by salesmen, staff and trade. He has received choice offers from the U.S.A., but prefers Canada, being a Canadian and believing in the destiny of this country. As President of my own company (grossing close to a million), I would be glad to furnish further references.

BOX 468, THE FINANCIAL POST, TORONTO.

ACCOUNTANT-BOOKKEEPER

Credit analysis, preparation financial statements, auditing experience, personal income tax work.

BOX 479, THE FINANCIAL POST, TORONTO

EUROPEAN REPRESENTATION

CANADIAN Executive residing London, Eng. seeks representation for a Canadian Company. Widely travelled United Kingdom and Continent. Located Toronto until 15 May.

Tel. Mr. Fraser, EM. 4-7411 or 226 Bay St., Toronto.

SALES & PROMOTION EXECUTIVE

Business administration graduate, two years management training Ford Motor Company. Four years in sales and sales promotion.

Wants position offering wide horizon for genuine ability to produce.

Age 30, married. Excellent references. Location immaterial.

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ENGINEER

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HARVARD
BUSINESS
REVIEW

The Magazine for Thoughtful Businessmen

MAY-JUNE 1954 NUMBER—BIMONTHLY

THINKING AHEAD: BUSINESSMEN AND GOVERNMENT *by JOSEPH W. ALSOP, Jr., noted commentator on the Washington scene*—Can the Eisenhower Administration, relying heavily on the leadership of executives of large corporations, balance the budget without hopelessly weakening our defenses? Should businessmen act as a pressure group fighting change or as leaders seeking to adopt tried-and-tested policies to new facts? Can the business mind, with its innate conservatism, measure up to the challenge of the future?

CHALLENGE OF THE GUARANTEED ANNUAL WAGE *by JAMES L. ALLEN, Chairman, of the Executive Committee, and C. WILSON RANDLE, Director of Service Research, Booz, Allen & Hamilton*—Pressures for the "GAW" are mounting; negotiations are impending; this authoritative article points out the problems and implications of "GAW" and outlines a positive plan of action for managements seeking the initiative at the bargaining table.

HOW TO DEAL WITH RESISTANCE TO CHANGE *by PAUL R. LAWRENCE, Harvard Business School* — Brilliant analysis of a baffling, frustrating problem faced every day by executives; outlines fresh, imaginative approach to problem, offers new hope for technological progress.

THE BUDGET COMES OF AGE *by JAMES L. PIERCE, Vice President and Controller, A. B. Dick Company*—Much needed antidote to negative-toned literature about budgeting; shows how to use budgeting as a device to free men to do their best work—rather than as a machine of restriction and condemnation.

LET'S GET COST PRICING OUT OF OUR LAWS *by ROBERT W. AUSTIN, Harvard Business School*—Sounds a rousing call to arms to business leaders to reverse the growing trend toward cost-plus pricing in government regulation of industry.

MATHEMATICAL PROGRAMING: BETTER INFORMATION FOR BETTER DECISION MAKING *by the late ALEXANDER HENDERSON, Carnegie Institute of Technology, and ROBERT SCHLAIFER, Harvard Business School*—Another Review "first": pioneering analysis of a revolutionary new business development; conveniently organized for quick or thorough reading by top executives or specialists.

HOW MUCH SHOULD A COMPANY SPEND ON RESEARCH? *by HOWARD S. TURNER, Director of the Research and Development Division, Pittsburgh Consolidation Coal Company* — Expert appraisal of the recent Harvard Business School findings on industrial research budgets; discusses figures of key interest, comes up with useful conclusions for company policy-makers.

DOOR-TO-DOOR SELLING *by VICTOR P. BUELL of McKinsey & Company, formerly Operations Manager of Real Silk Hosiery Mills* — With door-to-door selling on the increase, this factual objective analysis of pros and cons is both timely and significant; as one marketing expert said: "Makes no attempt to sell any pet ideas or exaggerate either the advantages or disadvantages."

EVALUATING THE PROPOSED LABOR-LAW CHANGES *by A. HOWARD MYERS, Harvard Business School*—What are the practical implications for business of Eisenhower's proposals for revising the Taft-Hartley Act?; an excellent brief for businessmen wanting to "catch up" on the issues being debated.

LOOKING AROUND *by CARL KAYSEN, Department of Economics, Harvard University* — Concise, penetrating review of recent literature indicating a new attitude toward big business; provocative ideas for business spokesmen and "thought-leaders."

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Trend of Business

A sign of continuing prosperity, life insurance sales in March 5% ahead of same month last year. Sales in first quarter up 3% from last year.

Department store sales in week ended April 24 down 2% from corresponding week last year. Quebec shows 4% increase, same in Alberta. British Columbia almost unchanged, up 0.1%. Saskatchewan, down 9%; British Columbia, down Maritimes, down 8%; Ontario, 5%; Manitoba, 3%.

Operating income of airlines fell about 60% last year because costs kept rising faster than revenues. Operating profit in 1953 thus about $1.5 million, less than quarter of 1951, but much better than losses in earlier years.

Canadian airlines carried about 2.8 millions passengers in 1953, including transborder, Atlantic and Pacific services. Increase of almost one fifth over year before.

Total revenue goods carried by air in 1953 was 176 million lb., or about 30% more than last year.

Farmers' net income down 13% in 1953 from year before. Result of 8% drop in gross farm income against decline of only 3% in farm operating expenses and depreciation charges. These farm income figures include value of his own produce the farmer consumes and imputed value of his farm dwelling. Different from farm cash income (reported down 3% last year in last week's column).

Steel ingot production 33% less per day latest month than last year.

Lumber production in February down 17% from year earlier.

Wheat flour production in eight months ended April 1 about 13% below same period a year earlier. Exports down 22%, though up latest month.

Fertilizer bought by farmers last year about 7% more in volume than year before.

Our federal civil servants cost us $34.8 millions for pay in latest month. An increase of more than $2 millions over a year ago, because of pay increases and more civil servants. They number 135,411, or about 4% more than same time last year.

Major Weekly Indicators

	LATEST WEEK	Week Ago	Month Ago	Year Ago
Department store sales (% ch. from year earlier	—2%	+8%	+4%	+14%
Carloadings, total	66,274*	65,994	66,580	73,227
Eastern Canada (cars)	43,362	43,497	45,415	48,593
Western Canada (cars)	22,912	22,497	21,165	24,634
Iron & Steel (mf'd) (cars)	1,045	1,111	1,196	1,295
Ores, concentrates (cars)	2,525	2,202	2,515	2,989
Base metals (cars)	695	653	618	548
Lumber, timber, plywood (cars)	3,434	3,392	3,629	3,305
Cement (cars)	1,026	1,007	1,021	1,136
Motor vehicle prod. (units)	11,200	10,942	10,237	11,337
Bus failures 4-wk. moving av. (No.)	20.5	22.5	40.5	17.5
Bank of Canada holding of securities ($ millions)	2,265	2,240	2,212	2,242
Short term governments ($ millions)	1,679	1,660	1,553	1,431
Long term governments ($ millions)	562	557	636	796
Other securities ($ millions)	23	23	23	15
Canadian dollar (U.S. cents average)	101.375	101.539	102.210	101.465
T.S.E. industrials index	342.02	337.17	340.46	311.54
Dom. Bond Yield Index ('35-'39=100)	100.3	100.3	99.3	119.1
Bank Clearings				
Montreal ($ millions)	483	409	492	442
Toronto ($ millions)	610	439	635	495

*Last issue's data; latest available.

Facts by the Month

	LATEST MONTH	One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—				
In all industries (Index)	229.9	235.3	250.5	232.1
In factories (Index)	240.5	247.2	263.6	245.6
Total nondurable goods (Index)	200.9	210.8	230.7	203.4
Food & bev. (Index)	183.3	210.0	243.8	181.5
Textiles (Index)	148.5	151.9	170.6	199.4
Clothing (Index)	144.0	148.4	156.4	170.3
Chemical products (Index)	279.4	275.4	288.9	269.4
Total durable goods (Index)	302.5	304.0	315.1	311.6
Iron & steel products (Index)	261.5	262.6	288.5	292.2
Primary iron & steel (Index)	268.6	280.1	318.9	322.9
From mines (Index)	171.7	176.0	194.1	164.6
Metals (Index)	98.7	98.7	104.1	118.0
Nonferrous smelting, refining (Index)	207.5	222.6	225.8	229.2
Gold (Index)	79.2	76.8	79.0	104.2
—From farms				
Hogs graded (000)	484	387	380	552
Cattle delivered (000)	165	130	153	132
Flour (Index)	186.0	143.0	158.8	139.5
—From sea				
E. Coast catch ($000)	1,278	1,735	2,730	1,217
W. Coast catch ($000)	447	809	1,101	241
—From forests				
Newsprint (000 tons)	515	458	476	484
Pulp (000 tons)	821	726	751	754
—In powerhouses				
Electricity (Index) (seasonally adjusted)	247.6	249.4	246.6	252.5
WHAT WE SELL—				
Retail sales ($ millions)	803	806	1,170	804
Dept. store sales ($ millions)	81	66	63	79
Wholesale sales (value) (Index)	312.4	294.1	343.4	304.5
Mfrs. outsdg. orders (value) (Index)	79.5	80.8	79.2	98.3
Pass. car sales (units)	23,722	18,057	19,448	30,282
WHAT'S ON HAND—				
■Mfrs. inventories (value) (Index)	103.8	103.0	104.2	100.3
Dept. store stock/sales ratio	3.1	3.3	1.8	3.2
SPENDING, SAVING POWER—				
Labor income ($ millions)	941	989	995	928
Dividend payments (Index) (annual rate)	247.8	247.6	242.1	245.3
JOBS—				
■Employment (Index)	106.5	107.0	109.9	110.0
■Mfg. employment (Index)	108.1	108.3	108.0	112.7
CONSTRUCTION—				
Contract awards ($ millions)	205	92	79	149
FOREIGN TRADE—				
Exports ($ millions)	321	280	265	313
Imports ($ millions)	353	293	280	360
MONEY—				
Money supply ($ millions)	4,958	5,034	5,134	5,001
Cheques cashed ($ millions)	10,884	10,891	12,468	9,503
Savings deposits ($ millions)	5,162	5,093	5,034	5,008
Current public loans ($ millions)	3,825	3,814	3,790	3,181
■Life insurance sales ($ millions)	244	205	181	232
PRICES—				
Consumer price (Index)	115.5	115.7	115.7	114.8

Index bases: production wholesale sales 1935-39=100; employment, payrolls, 1949=100; consumer price index, 1949=100; manufacturers inventories, outstanding orders, Dec., 1952=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (tons)	305	320	4,116	+11
Primary copper (000 tons)	17.8	23.8	17.8	—25
Nickel (000 tons)	12.7	12.5	12.7	+2
Cement (000 bbl.)	1,565	1,484	1,565	+5
■Lumber (million fbm)	527	631	843	—18
Exports (million fbm)	272	235	3,382	+1

■New items this week.

Date for your file: The Financial Post, May 8, 1954.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ANDIAN NATIONAL CORP. net profit of $1,196,701 for 1953, was 31% less than 1952 net of $1,736,117.

Higher gross revenue due to greater volumes transported and increased tariffs were more than offset by increases in operating costs and special charges, reports President W. C. Kirkpatrick.

Major overhaul of older mechanical equipment was begun in 1953. While increasing current operating costs, this program is planned to avoid prolonged equipment shutdowns which would seriously reduce gross revenue, the president says.

The Colombian government assessed a special quota on all corporate taxpayers to assist in a rehabilitation program following a period of civil unrest.

A tariff increase of 15% was granted, effective Sept. 1, 1953.

Average of 80,100 bbls. daily was received into the system in 1953, compared with 69,500 bbls. daily in 1952. Average per day in barrel miles transported was 21,122,000 (20,066,000 in 1952).

New pumping units were placed in operation by mid-year.

"Because of the characteristics of the various crudes transported and other operating conditions, it is not expected that any important increases can be attained beyond the average daily rate now transported through the system. Therefore, our company's program will be directed to bringing the existing system up to efficient operating standards, although this will require for the near future increased expenditures in the overhaul of the older mechanical equipment," concludes the president.

INCOME ACCOUNT

Years Ended Dec. 31:	1953	1952
Total net income	$3,215,307	$3,347,290
Less: Deprec.	445,305	375,955
Taxes	1,573,301	1,235,218
Net profit	1,196,701	1,736,117
Less: Dividends	1,020,000	1,020,000
Surplus for year	176,701	716,117
Earnings per Share and Dividend Record:		
Earned	$0.47	$0.68
Paid	0.40	0.40

CONDENSED BALANCE SHEET

As at Dec. 31:	1953	1952
Cash	$346,711	$279,004
Invest. at mkt.	303,154	4,661,046
Int. bear. dep.	4,620,676	
Accts., etc., rec.	981,118	918,628
Inventories	1,981,928	1,601,040
Total curr. assets	8,133,587	7,459,718
Deferred assets	93,642	100,108
Misc. invest.	20,759	68,006
Fixed assets*	9,243,623	8,709,760
Total assets	17,491,611	16,337,592
Total curr. liabs.	2,338,473	1,859,137
Reserves	1,667,108	1,076,126
Capital stock	10,200,000	10,200,000
Earned surplus	3,279,030	3,202,329
*After depr. of	24,163,938	23,806,028
Working capital	5,996,114	5,600,581

SASKATCHEWAN LOAN & INVESTMENT CO., Moose Jaw, net profit of $33,795 for 1953 was 96.8% higher than 1952 net of $17,175.

	1953	1952
Liabs. to public, etc.*	$28,070	$39,802
Shareholders equity	488,284	468,523
*Secured by:		
Mortgages	219,668	194,723
Realty & farm lands	140,723	155,302
Farm granaries	1,035	......
Office equipment	70	83
Liquid assets‡	154,858	158,211
Total	516,354	508,325
‡Includes bonds.		
Net profit	33,795	17,175
Earned per Share‡	$4.67	$2.37
Paid	2.00	2.00

‡Based on paid-up capital.

Assets of Trust Companies Reach Record $4.6 Billions

Assets in the hands of Canadian trust companies increased during 1953 by $142,786,000 to an all time high of $4,591,500,000, retiring President R. S. Anderson told the annual meeting of the Trust Companies Association of Canada.

Reviewing the recent experience of trust companies, Mr. Anderson said inflationary forces had necessitated a new approach to investment, to get all possible defense against inflation. "Unfortunately," he said, "the Trustee Acts of the various provinces are very restrictive and little could be done unless the trustee had broader powers under the will or trust instrument."

Administration of the Trust Companies Employees Training Course passed from the Ontario association to the all-Canadian body at the meeting. The course has been made available to employees of all Canadian trust companies.

G. F. Harkness, general supervisor of Montreal Trust Co., Montreal, was elected president for the coming year. J. A. Taylor, assistant general manager of Canada Trust Co. at London, was named first vice-president, and D. G. Grant, general manager of Nova Scotia Trust Co., Halifax, was elected second vice-president. W. R. Scott continues as secretary-treasurer.

The annual meeting of the Trust Companies Association of Ontario elected W. Leo Knowlton, manager of Canada Permanent Trust Co., Toronto, as new president. Vice-president of the association is C. F. Harrington, manager, Royal Trust Co., Toronto. Secretary-treasurer is W. R. Scott.

Retiring Association President J. Wilson Berry, Guaranty Trust Co. of Canada, also emphasized the need for amendment to "the outmoded Trustee Act" so that eligible investments for trustees may be brought into line with the Canadian and British Insurance Acts.

"Canada is becoming a nation of middle class people, which means the purchase of more life insurance and a growing field for trust companies," said Mr. Berry. "The number of estates left by individuals is bound to grow, despite the tax factor, although the size of individual estates will decrease."

Newsprint Strong, Pulp Better More Output for St. Law. Corp.

MONTREAL (Staff)—St. Lawrence Corp.'s newsprint mills are expected to operate at capacity this year, shareholders were told at the annual meeting. This includes the newly-converted machine at Red Rock, with its annual capacity of 60,000 tons, from which newsprint should be available in June.

Present indications are that the company will be able to ship all the kraft paper tonnage produced. The new kraft machine at Red Rock started to turn over on March 15 and is now producing 300 tons daily. At East Angus, the new kraft machine should start producing in June, while the board machine should be completed before Sept. 1.

In market pulp, it was noted that prices of bleached and unbleached sulphites have steadied in the last four or five months. Scandinavian prices have risen to levels of Canadian producers and demand has strengthened slightly.

By the last half of 1954, it was felt, the company's earnings can be materially affected by results anticipated from the expansion program.

Newsprint consumption in the U. S. for 1954 was expected to total 6.3 million tons, up 157,000 tons from 1953, with Canadian mills supplying 4,980,000, U. S. mills 1,140,000 and overseas mills the balance. It was estimated that U. S. mill capacity will rise by 70,000 tons, Canadian by 96,000 tons, this year.

Shareholders were told that the present newsprint picture — approximate balance between production and shipments — could change overnight to a shortage of supply if overseas buyers were able to secure the necessary dollars. The deficiency in production, it was forecast, could be large, and would probably again create grey and black markets.

Barring world catastrophe, it was felt that all Canadian, U. S. and Scandinavian newsprint produced would find a market in the foreseeable future.

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What's New

New Products, Applications and Ideas Gathered from World-Wide Sources or Made in Canada for the First Time

Balanced Plant Diet

New fertilizer has been developed specifically for conditions found in areas such as the Great Lakes of Ontario and Quebec, for lawns, shrubs, trees, flowers and vegetables. A Milorganite base product with over one third of its nitrogen from organic sources, its formula contains both fast and slow acting elements for feeding over a long period and many valuable trace elements and minerals such as sulphur, magnesium, calcium, iron, copper, manganese, zinc, chromium, lead, titanium, boron, molybdenum, etc.

* * *

Mechanical C.A.

High speed printing and accounting machine, turns out 27,000 punched card paychecks an hour and in the process handles up to 108,000 punched cards. Operates at a speed of ove 43,000 characters a minute. Said to have the fastest printing process yet developed for accounting purposes, it's also the first business machine equipment in which printing and simultaneous high speed punching can be accomplished in a single step. Synchronization of high speed totaling, printing and card punching in one operation replaces a number of expensive, time-consuming operations.

* * *

Cosmetic, Auto Aid

New family of silicone fluids now available are capable of a variety of tasks—from reducing the vibration in the automobile engine to the elimination of baby's diaper rash. Said to resist temperatures up to 300 deg. F for thousands of hours and mechanical shear breakdown in automotive vibration dampers, to be capable of pouring more freely at temperature extremes than any other fluid known today, and to substantially increase water-repellency in protective skin creams. Other characteristics include unusual chemical inertness, superior release qualities and physical inertness for use in cosmetics and pharmaceutical preparations.

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Watchman's control clock, featuring a roll of paper and ink ribbon similar to typewriter ribbon, permits use of 20,000 different station numbers. Stations and times shown are on a 24-hour system and station number and time are printed when key is turned. Rounds may be made and recorded as often as required and at any desired interval.

* * *

New Look For Wool

Silicone finish adds "miracle fibre" qualities to all the natural advantages of wool and worsted fabrics. Imparts durable water repellency, stain and grease resistance, crease retention. Also improves hand and wear life of woolens and worsteds. Repeated drycleaning does not remove the finish.

* * *

Makes Shoes Grow

Liquid shoe stretch is colorless liquid leather relaxant which provides quick relief from discomforts and harmful effects of ill-fitting shoes. With application of a few drops on the outside of the shoe it works while you walk. Breaks in new shoes comfortably, eases painful shoe pressure and friction, makes leather soft and pliable to mold naturally to the contour of the foot. Safe for any leather, suede, alligator, sharkskin, snakeskin, etc., and leather will take a better shine, is preserved from shrinking and cracking. Contains no harmful solvents, will not stain, or irritate the skin.

* * *

Tri-Dense Lens

Sun glasses, said to cut out 98% of the harmful ultraviolet and infra-red rays of the sun, have lenses which are denser on the upper and lower portions to shut out glare from the sky and sand and water. The centre portion is of a neutral sage green color which eliminates normal glare without reducing visibility. Glasses made in two sizes—for men and for women.

* * *

Business Forms

New design of business form enables quick insertion of many part forms into a typewriter, but makes possible correction by erasure without removing the form from the machine. Facilitates quick, accurate detaching with many parts or with long stubs. Each copy has a tab to facilitate location for correction. An easily removed stub fits over these tabs and upper portion of the form until it is safely inserted in the typewriter, and then it's removed.

* * *

Abrasives

Metallic abrasives in all commercial grades now available in Canada from British firm. Can be used for blast cleaning or impact cleaning of castings and forgings, preparing metal surfaces before enameling, or for shot peening to harden springs, shafts or gears, or for cutting, grinding or polishing granite, marble or other stone.

* * *

New Catalogues

Link-Belt Ltd., Toronto, Ont. Catalogue No. 2565 describes in detail this company's new heavy duty roller bearings which are especially designed for the severe operating conditions found in steel mills, mines and foundries.

Jeffrey Manufacturing Co. Ltd., Montreal, Que. announces the release of new catalogues. No. 855 illustrating and describing machines used on various material handling applications, together with dimensions and installation characteristics and sizes and types to suit the different capacity and material requirements.

Staff Changes

Chartered banks announce the following staff changes.

Nova Scotia:

A. C. DUNN, manager, Lumby, B.C., to be manager, Prince George, B.C.

W. H. FARRELL, an assistant manager, Montreal, to be manager, Lancaster, N.B.

G. W. HARTWICK, manager, Danforth & Pape, Toronto, to be manager, Bloor & Yonge, Toronto.

D. A. Y. MERRICK, Jr., manager, New Toronto, Ont., to be manager, Moose Jaw, Sask.

E. R. VAN BLARCOM, manager, Central Collection Dept., Montreal, to be an assistant manager, St. Catherine & St. Alexander, Montreal.

H. F. R. LEE, assistant accountant, Calgary, to be accountant, that branch.

J. G. REEVES, accountant, Hawkesbury, Ont., to be accountant, Wellington & Rosemount, Ottawa.

W. E. SHARPE, to be an assistant accountant, Edmonton.

A. L. BAILEY, an inspector at general office, Toronto, to be manager, Bloor and Jane, Toronto.

H. G. McGINN, to be manager, 8th St. & Clarence, Saskatoon.

A. R. O'FLAHERTY, manager, Port Hope, Ont., to be manager, New Toronto, Ont.

W. C. H. PATTIE, accountant, King & Victoria, Toronto, to be assistant manager, that Branch.

R. R. KLEINSCHMIDT, to be accountant, Stratford, Ont.

C. B. MOORES, assistant accountant, King & Victoria, Toronto, to be accountant that Branch.

J. L. WALTERS, to be assistant accountant, King & Victoria, Toronto.

D. H. McVAGH, to be manager, Choiceland, Sask.

L. M. TWEEDIE, an assistant accountant, Kingston, Ja., to be manager, Brown's Town, Ja.

T. N. GRANDY, assistant accountant, Park and Fairmount, Montreal to be accountant, Mount Royal & St. Urbain, Montreal.

F. A. RODRIGUEZ, to be assistant accountant at Ciudad Trujillo, D.R.

E. L. ELLIOTT, to be an inspector at general office, Toronto.

J. D. GOETZ, to be an inspector at general office, Toronto.

W. R. LAIRD, to be an inspector attached to supervisor's office, Winnipeg.

F. E. LAWSON, to be an inspector attached to supervisor's office, Winnipeg.

R. E. MACDONALD, to be an inspector at general office, Toronto.

M. F. BELL, to be an assistant inspector at general office, Toronto.

G. B. BOYLE, manager, Lytton, B.C., to be manager, Lumby, B.C.

S. E. BURWASH, joint manager, Queen & McCaul, Toronto, to be manager, Bloor & Church, Toronto.

R. W. CHANDLER, accountant, Stratford, Ont., to be manager, Woodstock, Ont.

J. E. GRAY, accountant, Mount Royal, and St. Urbain, Montreal, to be manager, St. Lawrence & Jean Talon, Montreal.

W. A. KERR, to be manager, Lytton, B.C.

W. R. McKENZIE, manager, Avonlea, Sask., to be manager, Lloydminster, Alta.

G. N. RENDELL, to be manager, central collection dept., Montreal.

J. S. TURNBULL, an inspector at supervisor's office, Halifax, to be senior assistant manager, Queen & McCaul, Toronto.

C. D. R. TRAVERS, assistant manager, Rideau & William, Ottawa, Ont., to be an assistant manager, Montreal.

R. N. BATY, to be accountant, Bank & Gloucester, Ottawa.

D. A. CRAWFORD, accountant, Danforth & Balford, Toronto, to be accountant, Bloor & Church, Toronto.

J. T. DALLAIN, to be accountant, Hawkesbury, Ont.

R. A. GALLAGHER, to be accountant, Danforth & Balford, Toronto.

W. E. SEAMANS, to be accountant, Alexandria, Ont.

W. J. SENDALL, assistant accountant, Port Arthur, Ont., to be accountant, Port Arthur.

H. M. B. WHITE, to be assistant accountant, Port Arthur, Ont.

Nova Scotia:

J. S. McGILL, manager, Bloor & Jane, Toronto, to be manager, Humbertown Centre, Toronto.

A. McPHEDRAN, manager, Bloor & Yonge, Toronto, to be manager, Kitchener, Ont.

H. D. MILLAR, manager, Prince George, B.C., to be manager 51 York St., Toronto.

R. W. MUNRO, an assistant supervisor, general office, Toronto, to be manager, Danforth & Pape, Toronto.

W. A. SPARKS, manager, Lloydminster, Alta., to be manager, Timmins, Ont.

L. T. DARLING, assistant accountant, St. Catherine & Peel, Montreal, to be accountant, that branch.

A. W. LAWTHER, to be assistant accountant, New Westminster, B.C.

Celgar Program Delayed, Gets Extension From B.C.

From Our Own Correspondent

VANCOUVER — Celgar Development Co., subsidiary of Canadian Chemical & Cellulose Co., has been granted a six-months extension on the time limit for submitting working plans on its proposed $75 million forest industry development in the British Columbia southern interior.

Celgar was given a conditional forest management license on close to one million acres of forest land in the Arrow Lakes region 18 months ago and was to have submitted to the Government detailed working plans for integrated plants by April 27.

The extension was announced by Lands and Forest Minister R. E. Sommers, who commented: "The Government cannot hold very large areas of their forest resources in reserve for the benefit of any individual or company for any long, indefinite period of time."

Celgar's plans called for an integrated system of plants including sawmills, and a pulp and paper mill. Such a set-up would give the Celanese Corp. of America a vast chemical and forest empire in Western Canada.

Celanese Corp. is the parent company of Canadian Chemical & Cellulose Co. The latter firm, besides owning Celgar, owns Columbia Cellulose Co., which runs a high alpha pulp mill at Prince Rupert, operating under a forest management license, and Canadian Chemical Co., which operates a new chemical and acetate yarn plant at Edmonton.

After getting the conditional license, Celgar bought three sawmills in the license area and acquired a large plant site at Castlegar.

Studies Proceed

Celgar President Wentworth Brown said that the company's forest engineers have been busy compiling data establishing quantities, location and quality of the timber in the license area. Studies have also been made on types of manufacturing plants, freight rates, water, power and fuel.

A possibility in the power and fuel department, although not mentioned by the Celgar president, is natural gas. The eastern section of the proposed Peace River-Washington State gas pipeline will have a branch line running up to the Trail, B.C. smelter, which is only a few miles south of Castlegar.

Mr. Brown said that, despite the poor condition of the lumber market, present lumber production from Celgar's plants is about double what it was before the plants were bought.

Mr. Brown pointed out that there are many "complexities" of the project peculiar to interior B.C. and the Arrow Lakes region.

One of them is that Celgar has found seven major species of timber growing in the region.

Mr. Brown said that the company "is exploring domestic and foreign markets for the products" which can be manufactured from seven species of trees. The company has turned for help to the B. C. Research Council and others "to develop new products and processes which will give a high economic value to wood species peculiar to the area."

Saguenay Power '54 Net Off 10.6%

MONTREAL (Staff)—Net profit of Saguenay Power Co. for the months ended March 31, 1954 totaled $372,765, down 10.6% from $416,667 in the same period a year earlier.

Operating revenue dropped to $2,126,922 ($2,194,767 in 1953). General expenses were up slightly at $990,524 ($974,292), other income down slightly at $57,180 ($60,966).

Provision for income taxes was down substantially at $811,300 ($903,377).

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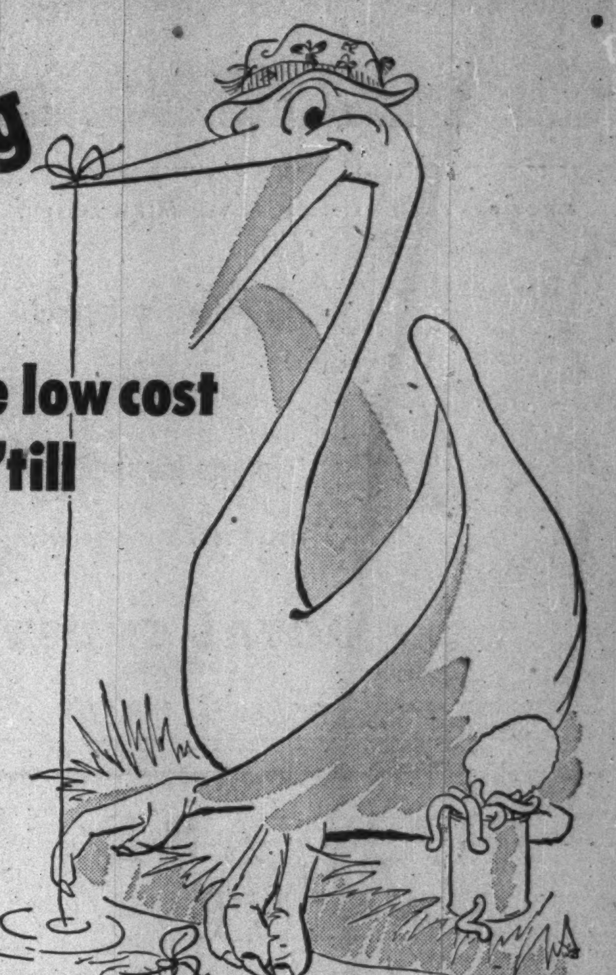

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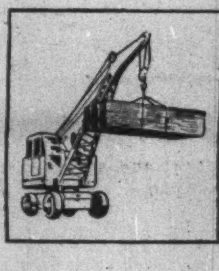

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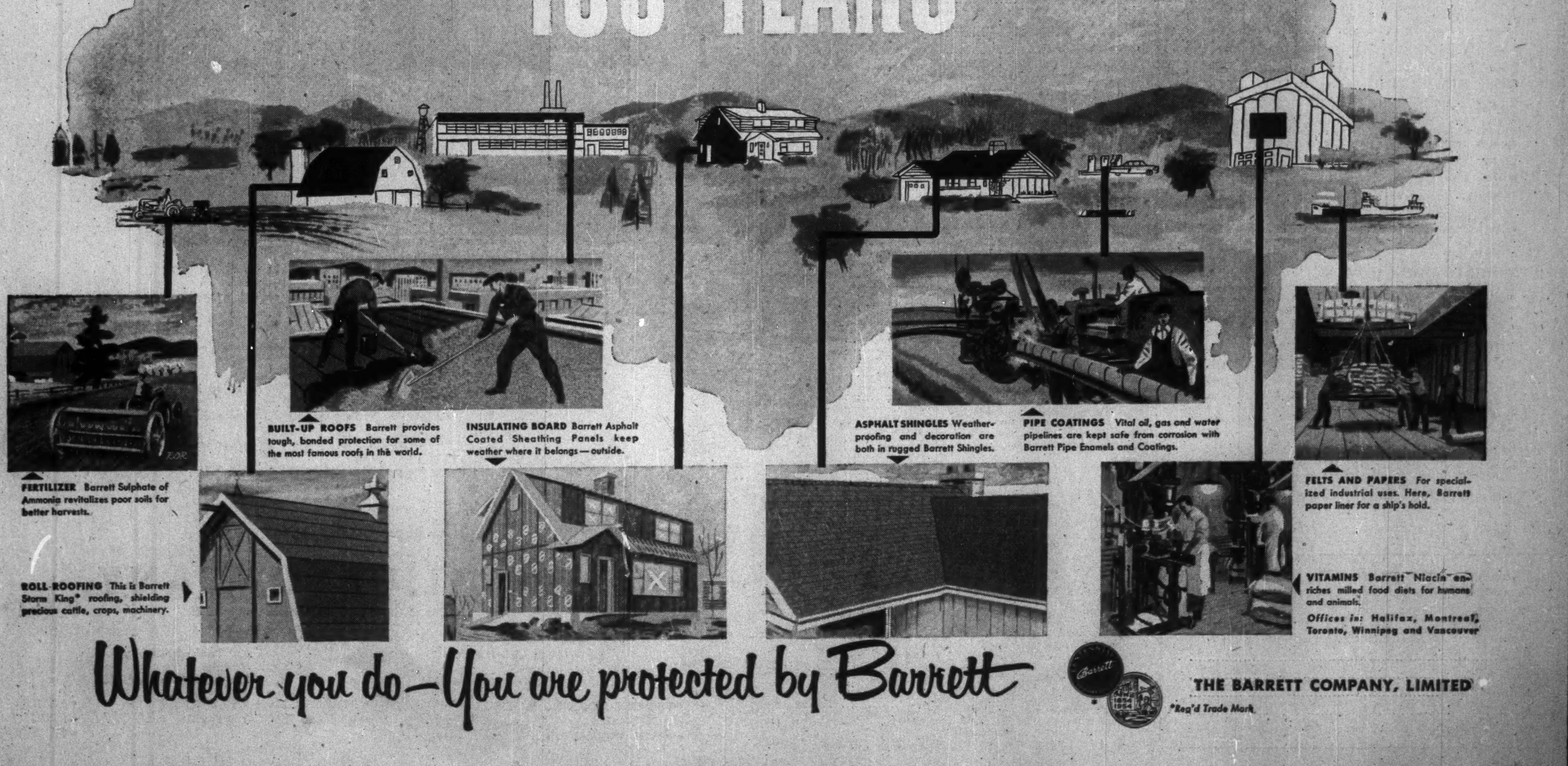

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